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## BRODERSOHN EXPLAINS ECONOMIC MEASURES

PY152021 Buenos Aires BUENOS AIRES HERALD in English 14 Aug 86 p 2

[Text] (NA-DYN) -- Treasury Secretary Mario Brodersohn oficially announced yesterday that the government will send a package of economic measures to Congress next week to fight inflation.

The package, aimed at boosting production and growth, includes a "once only" tax whitewash coupled with a reform of the tax system and also the implementation of several other regulations regarding capital repatriation and capitalization of the public foreign debt. Brodersohn explained that the measures intend to "create conditions for economic growth" and pointed out that the whitewash decided by the government was "substantially different from previous ones" because it will be complemented by a tax system reform and measures to fight tax evasion. He admitted that though the whitewash was not included in the Radical Party electoral platform because it was considered "little ethical," the government had decided it was now necessary to take pragmatic actions.

Brodersohn told reporters that the whitewash will take place now that other reforms which changed traditional rules for almost all taxes have already been passed by Congress; such as the new inflation adjustment system and the elimination of banking and stock exchange secrecy and of share anonymity.

The treasury secretary also gave details on the proposed tax system reforms. This system will include the income and eventual benefits of taxpayers who have not declared these new assets up to December 31, 1985, and they will be subject to the payment of a special regulatory tax. Capital, net assets and value added tax (IVA) will also be included in the overhaul and unpaid taxes and fines will be pardoned. Brodersohn stressed that along with these measures repatriation of Argentine capital will be linked with the capitalization of the foreign debt and will be earmarked for two purposes; investment projects (basically those related to industrial and export promotion) and long-term investment.

## UK PLANES 'HARASSING' SHIPS IN SOUTH ATLANTIC

PY161651 Buenos Aires TELAM in Spanish 1557 GMT 16 Aug 86

[Text] Comodro Rivadavia, 16 Aug (TELAM) -- Argentine fishing ships were harassed this week by British planes operating from the Malvinas Islands base. These planes made low flights over Argentine ships that were fishing in areas outside the unilateral "exclusion zone" established by the United Kingdom. The charge was made at Puerto Deseado, Santa Cruz Province, by crewmen of the ship Rokko Maru. Gaston Vigier, the captain of the ship, made statements to the newspaper EL PATAGONICO and to Radio Puerto Deseado. Vigier said that a Neptune aircraft flying British colors and the RAF inscription painted on its fuselage made a low flight over the ship, coming within just 20 meters of its mainmast. The ship, which is 102 meters long and has a crew of 74, was fishing in the South Atlantic. The captain regarded the low over-flight as harassment and noted that other ships suffered similar intimidating actions in recent days. The report was confirmed to TELAM by the Argentine naval prefect at Puerto Deseado, Osvaldo Sieppe, who thus confirmed the charges made by the captain and crew of the Rokko Maru. Sieppe also confirmed that similar intimidating actions by British planes against Argentine fishing ships had occurred this week.

DURAN, BARTHELEMY DISCUSS AID FROM U.S.

PY160005 La Paz Cadena Panamericana in Spanish 1700 GMT 15 Aug 86

[Excerpts] Presidential Secretary Juan Carlos Duran Saucedo today downplayed Washington reports that the United States has turned down Bolivia's request for $100 million to help fight drug trafficking. The minister said that the report from the United States carried by the news agency EFE was groundless and unofficial.

[Begin Duran recording] Well, my opinion is, to begin with, this report does not provide the source of the statement. In the second place, I feel that it is a hasty statement because the Bolivian ministers did not go to the United States to ask for $100 million in cash. The ministers went to see President Reagan and the U.S. secretaries to ask them to facilitate the negotiations with the various international organizations to obtain funds. Naturally, to obtain these funds one must follow certain procedures, as is usual in the case of any foreign aid and cooperation. Therefore, it is pointless and hasty to judge the trip of the ministers to the United States as either positive or negative at this point. [end recording] [passage omitted]

Interior, Migration, and Justice Minister Fernando Barthelemy today said it would be a mistake for the United States to deny Bolivia the $100 million it has requested for the struggle against drug trafficking. The minister refused to say what the government would do if this happened, but insisted the United States must back Bolivia in its attempt at eliminating the scourge.

[Begin recording] [Barthelemy] We have nothing official. What we have are news media reports. However, my personal opinion is it would be a terrible mistake for the United States Government to refuse to contribute to an undertaking as important as the struggle against drug trafficking.

We knew very well there were bound to be side effects and economic problems for the country when we began the fight, and still we have managed to maintain the struggle against drug traffic. Therefore, the request of the Bolivian Government is fully justified. I repeat that I feel it would be a bad policy move for the United States Government not to cooperate directly with its Bolivian counterpart in carrying out this task.

[Reporter] Mr Minister, should this aid not materialize, will the Bolivian Government change its current attitude and refuse to accept U.S. troops on Bolivian territory?

[Barthelemy] I am not a prophet, and I would not like to predict anything at this point. [end recording]

Later, the interior minister said that Bolivia needs much more than $100 million to fight drug trafficking.

[Begin Barthelemy recording] It is quite obvious that it is not the amount of money needed to develop the country that helps to establish areas of development and improve the standards of living. If, on top of this, we are going to demand the eradication of coca plantations, we will need a great deal more money, not only for the antinarcotic program, but mainly for development programs. This money could be obtained through loans because these loans would be invested in productive projects. But, what is really needed is support for the balance of payments and this cannot be obtained through loans because the country cannot pay these loans. We also need support to outfit the Armed Forces and the police for a direct struggle against drug trafficking. This too must be a donation or a nonreimbursable contribution. [end recording]

The minister concluded by saying the government is awaiting the latest news on the negotiations of its ministers in Washington and he hopes that this news will be positive for the country.

## Information Minister on Aid

PY161155 La Paz La Red Panamericana in Spanish 0000 GMT 16 Aug 86

[Text] Information Minister Herman Antelo denied the United States has refused to aid Bolivia with $100 million. He made this statement during a press conference referring to U.S. reports on Bolivian ministers who are negotiating in Washington.

[Begin Antelo recording] First, I would like to deny some press reports saying the United States allegedly refused to help Bolivia. This help had been requested by a Bolivian delegation in Washington. It is not true. The atmosphere in which the Bolivian request was received was totally favorable, and at the moment, the Bolivian delegation is discussing with U.S. Government officials the manner in which aid can be implemented. [end recording]

Afterward, the minister said that given the sort of aid requested by Bolivia, it will have to first be approved by the U.S. Congress. He added that the Bolivian delegation and the IMF are jointly studying the possibility of obtaining a $100-million bridge loan.

[Begin Antelo recording, in progress]...a $100-million bridge loan. One of the most important aspects raised by the Bolivian proposal -- and one which has been well-received by the U.S. Government and public -- was the Bolivian Government's decision to maintain its drug trafficking repression policy and program as well as a proposal to definitely replace the coca crop in 3 years. To carry out this plan, Bolivia has requested from the U.S. Government $300 million in aid -- that is, $100 million per year -- to provide the peasants, who are currently cultivating coca leaves, with attractive alternative farming projects. This project will be discussed by the U.S. Congress with the support of the U.S. Government. This project aims exclusively at finding an alternative for the peasants who make a living from coca leaves crops. [end recording]

## COB ASKS OPPOSITION TO IMPEACH PAZ ESTENSSORO

PY152041 Paris AFP in Spanish 1338 GMT 15 Aug 86

[Text] La Paz, 15 Aug (AFP) -- The Bolivian Labor Confederation (COB) has asked opposition legislators to begin impeachment proceedings against President Victor Paz Estenssoro and four cabinet members, for allowing the nation's sovereignty to be violated according to COB leader Juan Lechin Oquendo.

The top-ranking COB leader noted that the deputies approved the request because of the unconstitutional position adopted by the executive branch in allowing the presence of U.S. soldiers in national territory, without the previous legal authorization of the legislative branch. He added that the government cannot deny the presence of foreign military forces led by General John Taylor or ignore the Bolivian Armed Forces, which are capable of confronting drug trafficking.

## COCA FARMERS OPPOSE U.S. TROOP PRESENCE

PY161318 Madrid EFE in Spanish 0034 GMT 16 Aug 86

[Text] Cochabamba, 15 Aug (EFE) -- The Federation of Peasant Workers of the tropical area of Cochabamba, east of La Paz, has announced it will not allow the plan to reduce coca farming to continue so long as U.S. troops remain on Bolivian territory.

Peasant leader Julio Rocha stated this decision was made after coca farmers were repeatedly attacked by antinarcotic units. Rocha also explained the program to reduce coca crops promised farmers $300 for each hectare. However, according to Rocha, the government has not fulfilled its promises, and there are many peasants who have destroyed their coca crops without compensation.

SARNEY ANNOUNCES AGRICULTURAL SECTOR GOALS

PY161415 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 15 Aug 86

[Excerpts] When announcing goals for the agricultural sector yesterday, President Sarney said the new measures establish the priorities for the agricultural sector with increases in the production of rice, corn, beans, and manioc. On the same occasion, the president signed decrees creating teams to review agricultural insurance and define policies on the raising of cattle for slaughter. He also approved the creation of the rural savings account, the rural development fund, and the National Center for Research on Irrigation. President Sarney explained the importance of the new measures in his speech:

[Begin recording] Withthis agricultural plan and with the agricultural policy, priorities have been clearly established. These priorities encompass agriculture and cattle raising and seek to improve the situation of the poor, to produce basic foodstuff, to feed the people, to increase the domestic market, and to ensure its supply. The small farmers feel it is necessary to clearly define agricultural goals and to create policies on credit, prices, investments, stockpiling, and storage that may serve as guides for their decisions and activities. [passage omitted] [end recording]

In his weekly radio program "Chatting by the Radio" President Sarney today said that the new agricultural plan is of interest to the small farmers as well as for the consumers who are facing supply difficulties. Sarney added that the plan will grant agriculture permanent rules of defense, security, and assistance:

[Begin recording] Farmers will now be able to plan their activities a year or more ahead because they will be protected by minimum prices, which will guarantee their production, and mainly because, farmers will be insured against floods, droughts, or other problems that can affect this sector. Brazil now has a new national agricultural policy. The state owed the farmers measures like the ones announced. While industry, commerce, financial, and services activities were regulated by stable, permanent, and well-defined rules, our farming sector always awaited improvised policies. In general, government regulations, prices, and guarantees were not issued on time, but always at the last minute. Only then did the farmer know if it would be worthwhile to plant. We do not want this situation to continue. With our economic stabilization plan and the new horizons of the Brazilian economy, it is now possible for Brazilian farmers to plan their crops ahead, even up to 2 years ahead, considering the guarantees offered by the government. [end recording]

Afterward, President Sarney spoke of the creation of a rural savings account.

[Begin recording] Also, in order to grant the farming sector independent and safe resources, we announce the creation of savings accounts called the green savings account [caderneta verde], that is, a savings account paying inetersts and monetary adjustment, just like a normal savings account. This green savings account will be meant for the farmers and will be managed by the Banco do Brasil with the resources deposited used by the bank to grant farming loans. The farmers can be assured that Brazil now has a defined agricultural policy. What we wish is to give security to the rural producers. [end recording]

Finally, President Sarney explained that the new measures represent considerable progress toward solving the farming problem and that the main objective is to improve the Brazilian people's lives. The President also appealed to the people to contribute to the polio vaccination campaign tomorrow.

## FOURTH, LARGEST ARSENAL DISCOVERY ANNOUNCED

PY160045 Santiago Domestic Service in Spanish 2300 GMT 15 Aug 86

[Text] The largest clandestine arsenal was discovered at the beginning of this weekend in the northern section of the country. This is the fourth recent discovery of weapons, ammunition and explosives in the 3d Region. Along the coast of this region, security agencies, working together with the Armed Forces and Carabineros, discovered an important subversive camp.

The latest official reports indicate that some 15 persons are being held at La Serena for their connections with extremist activities. Several of these persons have received guerrilla training in Cuba, according to the authorities. Three leaders who had managed to escape the first dragnet have also been arrested. The first arsenals were discovered near the beaches of Caleta Carrizal Bajo and Palo Negro. Other arsenals were found hidden in semi-abandoned mines and in Huasco Bajo. Now, Copiapo Domestic Service will provide a detailed report on the new arsenal that contained arms, explosives and ammunition.

[Begin relay] An enormous new arsenal was just discovered by the authorities in yet another part of the 3d Region, a hill called Cerro Blanco, in the area of (Sierra del Sapo), some 96 km from Copiapo. The arms were hidden in caves similar to those miners use. Army and Carabineros, working together with security forces, found a great deal of firearms, explosives and ammunition, this is the largest discovery made within the framework of investigations that started with the finding of arms and explosives in Caleta Carrizal Bajo and Palo Negro.

The new discovery was found 180 km from the coast in a hilly area northeast of Copiapo. The Copiapo Domestic Service team was the first to arrive at the site to record the enormous quantity of material that international terrorists have brought into this area: 1,940 hand grenades; 650 U.S.-made M-16 rifles; 80 new Soviet-made Katiushka rocket launchers equipped with night scopes; 315 rockets for the lauchers, 800,000 rounds of M-16 ammunition; 112 rolls of P-4 plastic explosives; 239 packages of TNT; various types of fuses; FAL rifles; and a quantity of various clips for guns.

We would like to repeat that all this was discovered in caves carefully covered by boards and dirt and not easily accessible. We can also add that searches continue in the area in the hope of finding more arms. This arsenal, discovered 96 km from Copiapo, is the largest found since 1973. [end relay]

## FPMR, MIR Deny Arms Ownership

PY151325 Madrid EFE in Spanish 0739 GMT 15 Aug 86

[By Fernado Rueda]

[Text] Santiago, 15 Aug (EFE) -- The two main armed groups fighting against Pinochet's regime have stated that the huge arsenal of arms and explosives recently discovered by security forces does not belong to them.

The denials were made in anonymous telephone calls to the EFE office by individuals who claimed to be spokesmen for the Manuel Rodriguez Patriotic Front (FPMR) and for the Movement of the Revolutionary Left (MIR).

These two Marxist groups, which are responsible for hundreds of terrorist attacks, have thus denied government reports that the material found in several underground caches on the Chilean coast belonged to the FPMR.

Among the weapons discovered are 1,045 U.S. M-16 automatic rifles with 360,000 5.56 mm cartridges, 1,996.5 kg of explosives (TNT and T-4), Soviet-made hand grenades, Soviet-made Katiuska RPG armor-piercing rockets; and large quantities of detonators, fuses, and similar supplies. According to official sources, among the items found were advanced telecommunications equipment, diving equipment, generators, air compressors, tools and spare parts for maintenance of manual and electronic equipment, first-aid supplies, and enough canned food supplies to feed 30 men for 50 days. All these items were shown to the press and inspected by General Augusto Pinochet.

The arms, explosives, and other items had been introduced into Chile by Soviet trawlers and were stored in various places of Carrizal Bajo, 750 km north of Santiago, according to the National Intelligence Center (CNI, the political police). The CNI also claimed that there was evidence that the MIR's foreign branch was devoted to procuring resources (arms, equipment, training) and then to distributing them to "violent Marxist groups," among which it mentioned the FPMR.

In the anonymous calls to EFE, the alleged spokesmen of the two groups said their organizations have nothing to do with each other, and the arsenal found and seized by Chilean security services did not belong to them.

The first telephone call was received by EFE's Santiago office from an unidentified individual who said he was a MIR representative, and claimed that the MIR was responsible for several bomb attacks during the last 2 days in Santiago. The alleged MIR spokesman added that the "actions of sabotage" were conducted to celebrate the 21st anniversary of the founding of his organization, which advocates popular war as the only way to achieve socialism. Asked about the alleged MIR links to the FPMR and MIR participation in obtaining the foreign war materiel discovered in the clandestine arsenal, the unidentified individual categorically denied such links or participation.

A few hours later, another anonymous telephone call was received by EFE. This call was from an anonymous FPMR spokesman, who read an official communique from that organization which was created only 2 and 1/2 years ago to conduct an armed struggle against the Pinochet regime and which promised to disband after Chile recovers full domocracy. The FPMR, which is named after a Chilean independence patriot, also categorically denied any links to the arsenal discovered on the coast, saying it is "a clumsy farce." The spokesman added: "We do not know most of the alleged FPMR members who have been arrested" in relation to the discovery of the arsenal.

After reading the official communique and in answer to a question from EFE, the spokesman reiterated that the FPMR has no links whatsoever to the MIR, although it sympathizes with it on some points.

## Seguel Questions Arms Report

PY151738 Madrid EFE in Spanish 1437 GMT 15 Aug 86

[Text] Lima, 15 Aug (EFE) -- Chilean union leader Rodolfo Seguel today stated in Lima that he has serious doubts about a Chilean Government report on arms shipments unloaded in Chile by Soviet ships.

Seguel said: "We do not believe anything the dictatorship says. This report might be true, but government officials have time and again lied to us, and no one believes them any more." Seugel said that in Chile no one watches the television newscasts anymore and that the people now call the "60-Minute" newscast, "the 60 lies.'"

Seguel added that the government has blamed Marxism for anything that goes wrong. He described the Chilean situation as "dramatic, as a result of the repression exercised by the Armed Forces, which have thus lost credibility in the eyes of the people, who no longer believe them."

Seguel said Chilean Foreign Minister Jaime del Valle was wrong when he said 90 percent of the countries in the world are against Chile. This is not so, Seguel said, they are against the government of General Augusto Pinochet. All nations have rejected the military dictatorship and the desire to restore democracy in Chile "is steadily growing."

The Chilean left has radicalized, Seguel said, because its aspirations have not been fulfilled. He added: We believe the Communist Party leaders will encourage party members to seek democracy without resorting to violence.

## FEUSACH PRESIDENT SAYS MARTINEZ MURDERED

PY172354 Buenos Aires TELAM in Spanish 0336 GMT 17 Aug 86

[Excerpts] Santiago, 16 Aug (TELAM-EFE) -- Eugenio Rivera Campos, president of the Santiago University Students Federation (Feusach), charged today that university leader Mario Martinez was murdered.

According to the charges published in the newspaper TERCERA DE LA HORA, the crime may have been committed while Mario Martinez Rodriguez was investigating the security apparatus at Santiago University for its connection with the case of the two youths who, according to eyewitnesses, were set ablaze by a military patrol on 2 July. [passage omitted]

The Feusach president said the late Mario Martinez Rodriguez "had the mission of discovering and confirming who was in charge of the security apparatus that has been set up on the university campus," and he managed to gather information liking this apparatus to the case of Rodrigo Rojas Denegri, who died of burns on 6 July, and Carmen Gloria Quintana, who was also burned.

The Feusach president said that a few days before his death, Martinez had learned some details about the filming of a videotape delivered to television channels by Chilean authorities.

In that videotape, the burned girl Carmen Gloria Guintana, who is a student at this university, was apparently seen distributing Molotov cocktails during a student demonstration. This videotape was intended to support the first official report on the burning of the two youths, which said the incendiary devices they were carrying had caused the tragedy.

Feusach President Eugenio Rivera Campos asserted that because of what Mario Martinez Rodriguez had learned, he began to receive death threats and to be followed on the streets. Therefore, Martinez filed with the courts a request for protection, which was disregarded by the judge. [passage omitted]

Eugenio Rivera Campos reported he is now receiving threats and is being followed, and for this reason he filed with the courts a request for protection on 14 August.

CARABINEROS TO RECEIVE PROMOTIONS, APPOINTMENTS

PY051851 Santiago EL MERCURIO in Spanish 30 Jul 86 p C 1

[Text] Carabineros Director General Rodolfo Stange Oelcker yesterday announced the new Carabineros High Command structure.

At the same time, he announced the Carabineros Under Directorate ceremony of installations, promotions, and retirement of officers will be held at the Carabineros School on 31 July at 1100.

Inspector General Oscar Torres Rodriguez will be installed as Carabineros under director. He will be replaced as order and security director by Inspector General Jorge Portilla Carvaja, who has been chief of the 2d Inspection Zone in Antofagasta.

General Manuel Mardones Rodriguez will be installed chief of the 3d Inspection Zone, which runs from Santiago to Talca.

Inspector General Jorge Veloso Khtoias has been appointed welfare director; Inspector General Claudio Calderon Moraga logistics director; Inspector General Leonidas Venegas Guzman personnel director; Inspector General Pedro Asanueva Ulloa director of the Superior Advisory Council; General Alfredo Nunez Allende under director for special police matters; and General Sergio Controneo Concha chief of the 2d Inspection Zone.

The following generals have been promoted to the rank of inspector general: Leonidas Venegas Guzman, Pedro Casaneuva Ulloa, Jorge Portilla Carvajal, and Claudio Calderon Moraga; and the following colonels to generals: Alfredo Nunez Allende, Sergio Cotroneo Concha, Manuel Mardones Rodriguez, and Jose Ayuayo Lobo. Ayuayo Lobo will hold a post in the Carabineros Cabinet until being appointed to another post in the future.

PRESIDENT EXPLAINS FORMATION OF LIBERAL CABINET

PA160413 Bogota EL SIGLO in Spanish 13 Aug 86 p 1

[Text] As a result of the meeting held by President Virgilio Barco Vargas with his ministers, which took place at the Narino Palace, the press secretariat of the presidency issued the following statement:

The government has appointed a cabinet formed by 12 Liberal ministers and a high-ranking official of the Armed Forces. Those appointments are made in accordance with Article 120 of the Consitution and by virtue of the Conservative Party Board of Directors' decision to participate in the Executive Branch. Thus, the Colombian president had the authorization to freely form his government. By assuming their responsibilities as members of the political opposition, the legitimate conservative authorities contributed considerably to the initiation of a new historical phase in the relations between the government and the oppossition parties. The government is committed to the highest interest of the nation and consequently, the ministers' conduct, as well as that of all authorities and officials, should strictly reflect a true nationalistic spirit of service to the community.

Narino Palace, 12 August 1986

CONSERVATIVES AGREE TO TECHNICAL PARTICIPATION

PA150206 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 15 Aug 86

[Excerpt] Bogota -- The Conservative Party has agreed to participate in the technical aspects of the government. After a very lengthy meeting, the National Conservative Directorate yesterday drafted a document they will present today to President Barco.

The directorate basically reaffirms the criteria contained in a document released at the beginning of the government on the Conservative Party's decision not to participate in the political aspects of the current government.

However, the Conservative Party decided it cannot block or veto the participation of its technicians in the administration. If the government or the president believe they need the technical support of Colombians who happen to be Conservatives, the directorate cannot prevent or block those appointments, a directorate member said. The directorate spokesman noted that the Conservative position on not participating politically remains unchanged. The question concerning Conservatives' technical participation has been answered. The first Conservative appointed to a technical post is Francisco Ortega, general manager of the Bank of the Republic.

Asked about the political positions and administrative [word indistinct], our source replied: Those that President Barco decides. If the government appoints a Conservative to a position, it will be because the position is technical in nature, and the directorate will not veto such an appointment, he added.

The Conservative Directorate will inform President Barco Vargas about its decision today. This decision was reached after nearly 10 hours of deliberations. The message will contain the criteria on the government-opposition system which has been in force since the president took power in the wake of the Conservative Party's refusal to participate in the Executive Branch. [passage omitted]

EDITORIAL VIEWS LIBERAL PARTY GOVERNMENT

PA151305 Bogota EL SIGLO in Spanish 7 Aug 86 p 5

[Editorial: "The Logic of Events"]

[Text] All events have their logic and consequences unless some change of course takes place leading to different results. One cannot attempt to place all the premises in order or indissolubly link them and marvel later because they lead to conclusions. That is how the current political process has been working. There are no surprises. Each step comes as result of the previous one.

In the past 30 years, the country moved in a climate of coexistence. Since the National Front was created, the parties employed a style that allowed political tranquillity and institutional reinforcement. There were clear rules of the game which the parties agreed on and respected. We managed to consolidate a democracy with its own characteristics, attuned to our system, which could be viewed as a model in the political lives of contemporary countries. The guidelines which those mechanisms of understanding propitated were combined with the facilities for the diverse currents of thought to freely move within a broad democratic spirit.

The country is accustomed to the calm atmosphere. It has enjoyed that atmosphere from the time the agreements between our two great parties went into force until today. It has been an experience for which all Colombians are deeply grateful.

The modes employed have been diverse. First, when we were barely coming out of that era of rude clashes among the sectors of our society, the guidelines were established to make these sectors agree on the formulas to put the country on the right course. When the advantages of this system became evident and new generations educated within this spirit entered politics, new and more flexible rules were established, always aiming to preserve the national spirit of the government. This spirit is not something that can be accepted or dissolved to suit each administration. It constitutes an imperative imposed by the nation which wants to preserve it and a mandate expressly stated in the Constitution.

In the past electoral campaign the Liberal candidate expressed his decision to establish a party government. His decision was expressed with unequivocal clarity at all times.

When the Liberal candidate won, his ideas also won. The country was facing a party government, a Liberal Party Government, of course. When no other corrections, additions, clarifications, or interpretations regarding those views, were introduced the possibility of Conservative participation vanished. The consequences were obvious. They were evident before the elections. If the idea was to establish a party government or even if there was talk of implanting a "Liberal republic", Conservatives were faced with the possibility of accepting a participation which chiefly seeks to achieve those goals. There was never any explanation on how it would be possible to reconcile that stance with the participation of members of other parties in the executive. There was nothing that could explicitly or implicitly envisage a way out. Even if they were appointed, the Conservatives would not have political responsibilities within the new government. Their presence would merely have a bureaucratic sense. That contributes nothing to preserving the national spirit our Constitution demands. This spirit does not rule because people want it but because it is mandated in the Constitution.

The meeting of the National Conservative Directorate with the president-elect did not contribute any new element to analyze the situation. We are facing the implementation of a new party government, as was announced before the elections, was reaffirmed through them, and has been repeated at all times since. There has not been an inch of progress in either sense, and there has not been the slightest clarification as to how this can be reconciled with Conservative participation. The stance adopted by the Conservatives is the logical development of facts that are clear to the entire nation. These are eloquent facts. They speak for themselves without needing interpretations. Moreover, absolutely nothing was done that could lead to another interpretation.

MINISTER CEPEDA ULLOA ANNOUNCES NEW GOVERNORS

PA170438 Bogota Television Service in Spanish 0100 GMT 17 Aug 86

[Text] We shall now give you the names of the new governors. Among them are eight economists, seven lawyers, seven civil engineers, four business administrators, one doctor, one chemist and one zoologist. [all numbers as heard] The decree was issued about an hour ago. President Virgilio Barco, who has been in Cartagena since yesterday, worked on the governors' slate there and was in constant contact with Government Minister Fernando Cepeda Ulloa. The complete list of new governors is as follows:

| | |
|---|---|
| Antioquia | Bernardo Guerra Serna |
| Atlantico | Fuad Char, ratified |
| Bolivar | Ramon del Castillo Restrepo |
| Boyaca | Alvaro Gonzalez Santana |
| Caldas | Fortunato Gaviria Botero |
| Caqueta | Cornelio Penagos |
| Cesar | Maria Ines Castro de Ariza |
| Cordoba | Hector Lorduy Rodriguez |
| Cundinamarca | Manuel Guillermo Infante |
| Choco | Eva Maria Alvarez de Collazos |
| Guajira | Jairo Alfonso Aguilar Ocando |
| Huila | Rodrigo Manrique Medina |
| Magdalena | Rodrigo Pimienta Gonzalez |
| Meta | Jorge Ariel Infante Leal |
| Narino | Mercedes Apraez |
| Norte de Santander | Eduardo Asad Aljure |
| Quindio | David Barros Velez |
| Risaralda | Favio Villega Ramirez |
| Santander | Alvaro Beltran Pinzon |
| Sucre | Nelson Martelo Martelo |
| Tolima | Guillermo Alfonso Jaramillo Martinez |
| Valle del Cauca | Manuel Francisco Becerra Barney |

Government Minister Fernando Cepeda said that after a careful analysis of the situation in each department, the selection of new governors was made. The only exception was in Cauca Department, where it was not considered appropriate to change governors because agreements are currently being signed to solve social problems that have adversely affected the region within the past week.

BARCO 'NOT IMPRESSED' BY GUERRILLA THREATS

FA141516 Bogota Emisoras Caracol Network in Spanish 1215 GMT 14 Aug 86

[Text] President Virgilio Barco has said he is not impressed by the recent actions conducted by the guerrillas. He trusts new government actions to cope with the subversive challenge will make it possible to disarm the [words indistinct].

When swearing in the new defense minister and receiving the greetings of the troops, the president said neither the executive branch nor the Armed Forces will be alarmed by any threats. He explained that his administration is studying the means to cope with this new challenge of the subversives to achieve peace and tranquility.

Rebels Announce Opposition

PA161756 Hamburg DPA in Spanish 1725 GMT 16 Aug 86

[Text] Medellin, 16 Aug (DPA) -- Six Colombian guerrilla groups, members of the so-called National Guerrilla Coordinating Board (CNG), have announced their opposition to the new government of Liberal President Virgilio Barco and announced that they will continue kidnapping people "to finance the organization."

After a summit meeting held by the armed movement in Anori, 175 km northwest of Antioquia Department, the guerrillas vowed not to commit crimes such as blackmail and extortion but to use kidnapping as their method.

The report was disseminated by the CARACOL radio network in Medellin. One of the CARACOL newsmen was kidnapped by the guerrillas.

Leaders of the M-19, the National Liberation Army (ELN), the Revolutionary Workers Party (PRT), and the Revolutionary Guerrilla Movement (MGR) were among those who attended the CNG meeting.

They also said they were not declaring war on the new government because they said they feel the country has been in a belligerent status for many years. However, they said they will be part of the opposition.

BRIEFS

AMBASSADORS APPOINTED -- President Virgilio Barco yesterday appointed officials who will work with the current administration, including some ambassadors who were ministers during the Belisario Betancur administration. Former Justice Minister Enrique Parejo Gonzalez was appointed ambassador to Hungary, former Government Minister Jaime Castro to the United Nations, former Police Director General Victor Delgado Mallarino to Algeria, and former Defense Minister General Miguel Vega Uribe to Portugal. Another appointment announced yesterday was that of Fernando Botero Zea as the new deputy government minister. [Summary] [Bogota EL TIEMPO in Spanish 12 Aug 86 p 8A PA]

## FEBRES CORDERO DEFENDS ECONOMIC MEASURES

PA151541 Quito Voz de los Andes in Spanish 1130 GMT 15 Aug 86

[Text] President Leon Febres Cordero stated today that the economic measures issued by the Monetary Board are drastic but necessary and emphasized that they are not the only advisable measures to adequately face the crisis.

He added that to help the people endure the crisis, he will propose to Congress an increase of salaries and wages in accordance with the country's possibilities and conceded that the [word indistinct] prices had been frozen, regardless of approval.

The president said the constant reduction of oil prices on the international market has worsened the country's situation, and for this reason the decision was made to implement a new economic plan at the lowest possible social cost.

He added that these measures were essential because the state is no longer receiving $1.1 billion from oil exports. Febres Cordero said that although this is a national problem concerning all Ecuadoreans, the opposition's statements give the impression that Congress is an island that is neither affected by nor has any effect on the crisis. He noted that the opposition continues to criticize instead solve the nation's problems. Febres Cordero denied that with these economic measure the government has given priority to the payment of the foreign debt, disregarding national problems. He explained that the plan that has been drafted will first allow the government to meet the needs of the Ecuadoran people and then to pay international banks.

He admitted that the measures will have a social cost and noted: Why deceive the people by telling them that we are going to pull out of this crisis -- which is the worst in our history -- without any cost? However, he stressed that he is doing everything possible to keep the social cost to a minimum.

## FOREIGN DEBT AGREEMENT SIGNED IN NEW YORK

PA161225 Quito Radio Quito in Spanish 2300 GMT 15 Aug 86

[Text] Ecuador has signed an agreement with its creditors which unifies its entire public and private debt and substantially reduces the interest rate on that debt. The agreement was signed today in New York by Patricio Boada, manager of the foreign debt department of the Ecuadoran Central Bank; Gonzalo Zambrano, legal adviser, (Victor Esman), manager of New York office; and 12 members of the banking committee. This committee represents 320 private institutions, headed by Lloyds Bank International, which are Ecuador's creditors. With this new agrement, Ecuador will pay a single interest rate for its entire foreign debt, which is $5.5 billion with private banks. The interest rate will be 2.5 percent less than that agreed on during the negotiations in 1983.

STROESSNER ADDRESSES CABINET, GENERALS

PY160058 Asuncion Red Privada de Teledifusora Paraguaya Television in Spanish 1600 GMT 15 Aug 86

["Impromptu" speech by President Alfredo Stroessner to Cabinet members and senior officers at Government House on 15 August following a military parade marking the 449th anniversary of the city of Asuncion -- recorded].

[Excerpts] I would like to thank General Rodriguez for his eloquent words, and I am very pleased to hear him speak in these terms, because it is what all of us here believe in. In also thank you Messrs Generals, and all others gathered here for your unscheduled appearance in my office. [passage omitted]

This is a joyful day. We have just watched a brilliant military parade, which confirms the peace that prevails in our country. This peace is a treasure that must be closely safeguarded. [passage omitted]

It is this peace that enables our country to develop. It is not that peace is merely the absence of war, as someone has said. The truth is that the peace we enjoy allows our people to work and study, and allows our country to achieve more things. [passage omitted]

I would also like to note that there is a small opposition group which is against the nation's development. When this group was in power our country lived in backwardness. It is this same group that said that to build the Acaray Hydroelectric Dam was to mortgage the country's future. This is completely false. They said the same thing when we built the Friendship Bridge [uniting the Brazilian and Paraguayan cities of Foz do Yguazu and Puerto Presidente Stroessner]. They said that the location of the head of the bridge violated our nation's sovereignty since it was established on our side of the river. The truth is that today this bridge no longer suffices. We need to build another bridge, because the old one cannot handle the huge flow of traffic.

We have done many things, and what we are doing now does not mean that we are mortgaging the nation's future. On the contrary, we are helping to develop our country. We still plan to build the soybean railroad, which will cost about $400 million. We are thinking about implementing this project. This is one of many important national projects. Our country will be far better off 40 or 50 years from now. [The cost of this soybean railroad] will be paid by what we are going to save in the price of fuel alone.

After one more of so many years in government, I refer only to the last period, because if I counted all the others there would be too many, I can assure you that I have the same patriotic spirit, the same spirit of a Colorado party member. I hope I will be able to continue like this, and I pray that God will accompany me, as He has always accompanied me, and I that He will accompany all of you so that all of you will be strong. We are not going to be weak, because weaknesses have resulted in great evils to this country: attempts at violence, revolutions, and even international war.

Right now we are in good condition. We of course will not satisfy everyone, but we do have a democratic government, a government that is of the majority. [passage omitted]

We know that our Colorado Party is a great party. There may be some bitterness, but this affects the weak, those who want to flirt with the opposition, who seek notoriety -- you already know to whom I am referring, a few who really have no power -- this is why we are with the people and for the people and why we shall continue to work for them.

I also hope that the barracks will always be firm bastions of the peace and development our country enjoys.

I thank you very much for your presence, and I hope that each of you will be firm in your resolve. We are not going to yield, as some charlatan's statements are published in [opposition newspapers] SENDERO, EL PUEBLO, or other newspapers, because we shall not be afraid of the opinion of one person. No, not at all. We are strong.

Let us go forward, and I hope you will all be strong, dedicated, and intelligent, so as to continue on the good path the country has been following and so that the country may have a prosperous future.

Thank you very much for your presence. [applause]

GARCIA MEETS UNION LEADERS, COMMENTS ON IMF

PY160221 Paris AFP in Spanish 2057 GMT 15 Aug 86

[Text] Lima, 15 Aug (AFP) -- President Alan Garcia today said Peru offered to pay the IMF $35 million of the $190-million debt that is due to show we acknowledge the debt but at the same time prove we are not going to sarifice Peruvian reserves.

We have told the IMF that we are sending them whatever we can. If they accept it, so much the better, added Garcia. He said, however, that according to information he has received, the IMF had decided to declare Peru ineligible for new loans. Garcia made this remark at Government House when he received a group of union leaders from seven countries attending a meeting on foreign debt in Lima.

Chilean Rodolfo Seguel, president of the National Workers Command, former Colombian Labor Minister Jorge Carrillo Rojas, Argentine Alberto Campos, and Gumerciando Bueno from Bolivia were among those received by President Garcia. Labor leaders from Brazil and Ecuador also attended the meeting.

Garcia Has 'No Fear' of IMF

PY161512 Madrid EFE in Spanish 0300 GMT 16 Aug 86

[Excerpt] Lima, 15 Aug (EFE) -- Peruvian President Alan Garcia said today that IMF theories "cannot be applied to or accepted by the poor peoples of Latin America" and stated he has no fear of "ghostly figures, paper tigers, threats, and declaration." Garcia said this to a group of Latin American labor leaders while the IMF was declaring Peru "ineligible" for new IMF credits for not having met its payment obligations. On 12 August Peru paid only $35 million of the $196 million it owes. In reply, the IMF Board made a decision that the Peruvian Government itself seemed to take for granted.

Garcia said: "The meaning of the IMF declaration is more important than the credits themselves, because the credits have always been used to pay earlier debts, and there has been a merry-go-round and recycling of old debts with ever-increasing interests."

The Peruvian president, who called the IMF "the great overseer and guardian of imperialist economy and international capitalism," said his country cannot surrender its economic sovereignty by permitting itself to be governed by letters of intent or a theory belonging to the past, of its elected government.

Garcia stressed: "We cannot accept that the economy of the nation be strangled to satisfy foreign demands, which may be supported by legal documents but which historically have no moral support." The president made it clear that a government cannot sarifice its people for the sake of rates of interest fixed in New York or London. He added: "It should be understood that our working people are more important to us than the interests of a few holders of saving accounts -- who have rights -- but to whom this decision will not mean tuberculosis, criminality, subversion, or hunger."

This blocking of credits places Peru among a small group of countries including: Liberia, Vietnam, the Sudan, and Guyana. [passage omitted]

Denounces IMF Before Crowd

PY170216 Madrid EFE in Spanish 0031 GMT 17 Aug 86

[Text] Lima, 16 Aug (EFE) -- President Alan Garcia today told Peruvians that they "have the obligation to be with me at this time" in a speech delivered from the balcony of Government Palace. He made this comment in answer to the IMF decision yesterday declaring Peru ineligible for new credits.

Garcia talked for 1 hour to thousands of people summoned by the APRA [American Revolutionary Popular Alliance] to the Plaza de Armas in Lima. In a vibrant and effective speech, Garcia labeled the IMF as "financial police and the guardian of the creditor countries."

Yesterday, Peru was declared ineligible for new credits from IMF after the country paid only $35 million of the $196 million of its matured debt. President Garcia said: "Democracy means sharing," and added, " I am not the only one affected. We are all in this together."

The theme of the presidential speech was a continuous exhortation for solidarity, perseverance, and unity among all Peruvians regardless of political ideology, "because we have faith in our abilities, and we will not allow our faith to be taken away from us."

The IMF decision puts Peru in a small group of countries like Vietnam, the Sudan, and Guyana. It is possible the credit ineligibility will affect not only IMF credits but also loans from other financial sources.

Garcia said that the Latin American countries, including Peru, have "an economy that is distorted by the low prices paid for our products. Where then are we going to get the money to pay our foreign debt?" The president pointed out that a few months ago the price of oil was $25 a barrel, now it is only $11; silver was $11 per ounce, now it is only $5. He gave these as concrete examples that affect Peru. According to official Peruvian economic sources, 1986 exports -- which were forecast to be $3.1 billion -- will be $2.5 billion as a result of the fall of oil, copper, and silver prices.

The president also called on the people not to let themselves be overcome by pessimism and discouragement. He said: "We must learn to confront problems now in order to achieve independence and development in the future."

"We are not making a big show of being shocked, because we are aware of IMF injustices. We merely gave a serene national and anti-imperialist answer instead of being provoked," said the president. He reiterated that although the country is not refusing to pay the foreign debt of $14 billion, it will not pay at the risk of sacrificing the country's development.

He added: "Under current circumstances, Peru must follow a different path because the debt problem is basically a system of domination and economic penetration."

Garcia rejected the IMF conditions that Peru sign a so-called "letter of intent" to reach an agreement with the creditor countries. He added: "We have avoided the protection" of those letters "so that we could control our own economy." He pointed out that the IMF formulas "are failures, which have impoverished us." He added: "The answer we received lacks sensibility and understanding. The IMF has the inhuman logic of closing its ears to the poor people of the earth."

The president -- who before he spoke was greeted with shouts of "Alan, hit the IMF hard," or "Alan, listen, the people are with you" -- rejected the idea expressed by some commentators that Peru has isolated itself by not fulfilling its obligations to the IMF. Garcia said: "No good Peruvian can say that. We need to isolate ourselves from injustice and exploitation in order to be with the people," and "we are in solidarity with the people of Latin America, with the Argentina of President Alfonsin, and with the Mexico of President De la Madrid."

In conclusion, the president said: "We are going to move forward with all Peruvians. Do not leave me alone, because I am never going to abandon Peru."

## Central Bank President on IMF

PY160300 Paris AFP in Spanish 0234 GMT 16 Aug 86

[Text] Lima, 15 Aug (AFP) -- Leonel Figueroa, president of the Peruvian Central Bank, stated here tonight that the relations between Peru and the IMF are as normal as before, but with a notable, little difference [pequena gran diferencia]. The difference is that we no longer have access to IMF funds, Figueroa added.

In a press conference he held tonight, Figueroa commented on IMF's decision to declare Peru ineligible for new loans. He said this decision will have no consequences for the country's economy or for Peru's relations with its other creditors. Figueroa stressed this decision contains a significant change in the treatment the IMF usually gives to nations that fail to fulfill their obligations and are declared ineligible. The IMF decision concerning Peru states the ineligibility will be suspended automatically as soon as the country repays its debt. Figueroa pointed out that in the past, for a country declared ineligible to recover its rights, three steps had to be complied with: Pay the debt, await the subsequent IMF decision, and promise to fulfill several conditions. He also said the IMF board had agreed to reexamine Peru's situation at its meeting scheduled for January 1987.

Peru's current outstanding debt with the IMF amounts to 139.9 million SDR's (Special Drawing Rights), approximately $168 million. By January 1987, the debt will be 160 million SDR's, Figueroa said. He added that the payment of $35 million Peru made this week was not made so that it could negotiate its eligibility, but to show its willingness to pay to the extent possible. The government laments the IMF decision, but it will maintain its policy of allocating its resources for development rather than paying foreign debts.

Our differences with the IMF are a matter of viewpoints as far as the debt and the consequences of the conditions the IMF imposes are concerned. In the light of this decision, Peru has chosen to maintain its economic sovereignty, Figueroa said. He also reported having received messages from creditor banks stating that they still plan to negotiate the debts Peru has with them next month. Figueroa added the negotiations with creditor governments will be handled basically at the bilateral level.

Our trade will not suffer, Figueroa said, because the government maintains its decision to keep paying its short-term debts. In fact, he said, short-term commercial credits have gone up lately, from $150 million in September last year to $310 million now. The president of the Central Bank (responsible for issuing the currency) also stated that Peruvian exports should not be affected.

He emphasized that the IMF decision would not affect loans already approved by the World Bank and the IDB, amounting to some $500 million with each institution. However, he said that with the World Bank, Peru will renegotiate a rescheduling of the projects the World Bank loans will finance in order to adjust them to the list of development priorities and to facilitate the disbursement of the loans.

WAGNER: GDR NOTE 'STEP IN THE RIGHT DIRECTION'

PY151534 Lima Panamericana Television Network in Spanish 0315 GMT 15 Aug 86

[Excerpts] The GDR Government has made an ambiguous statement on the Pia Vesta case about an arms shipment from the GDR brought close to our shores. [passage omitted]

Tonight, Foreign Minister Allan Wagner confirmed that the GDR Government has answered the Peruvian Government's protest note about the Pia Vesta case.

[Begin Wagner recording] The response of the GDR ambassador states that in view of our request, the GDR Government continues to conduct a detailed investigation into the participation of two GDR enterprises in this case. Regarding the sale of the equipment and armaments by the GDR state enterprise, (Imes), to the Swiss company, Yufag, the GDR ambassador said that according to the investigation, (Imes) acted in good faith, although he admits the possibility that (Imes) may have been deceived by the Yufag Company regarding the final destination of the armaments.

We believe this answer to the protest note we delivered on 12 August is a step in the right direction by the GDR, which will eventually provide the information necessary to make a judgment regarding this case. This case has justifiably created concern for the government and the people in general. [end recording]

## Denies Pia Vesta Arms Bought

PY151857 Madrid EFE in Spanish 0318 GMT 15 Aug 86

[Excerpt] Lima 14 Aug (EFE) -- Peruvian Foreign Minister Allan Wagner today labeled "ridiculous and absurd" the comment by a U.S. businessman in Miami that the arms shipment carried by the Danish vessel Pia Vesta was purchased by the Peruvian Navy and Army.

War Minister General Jorge Flores stated the report is "false" and the Army has at no time purchased any armaments "especially in a surreptitious manner."

After meeting with President Alan Garcia, Foreign Minister Wagner indicated that Interior Minister Abel Salinas and Navy Minister Vice Admiral Willy Harm are volunteering to testify before the secret Congressional investigation of the Pia Vesta case. Wagner pointed out that he is waiting for the Senate to set a date for him to provide details "on the current status of the investigations of the complex case, which is typical of illegal arms traffic." [passage omitted]

## GARCIA RECEIVES AMNESTY INTERNATIONAL MISSION

PY151726 Paris AFP in Spanish 1752 GMT 14 Aug 86

[Text] Lima, 14 Aug (AFP) -- Amesty International Secretary General Thomas Hammarberg, who today left for Ayacucho -- the stronghold of the Andean guerrillas -- to investigate human rights violations, described as very constructive the talks held last night with President Alan Garcia.

Hammarberg said the Peruvian chief executive, who held a 90-minute conversation with the Amnesty International mission at Government Palace, agreed with the Amnesty International position against any excesses against human rights and disappearances. President Garcia told the Amnesty International mission that whenever he learned about killings, as with the Accomarca (Ayacucho) case in which more than 40 peasants were killed last year, the authorities immediately adopted the appropriate measures to conduct thorough investigations and then followed them up with the appropriate court proceedings.

Hammarberg, who is accompanied by Michael McClintock, the Amnesty International investigator for Latin America, said the president informed them of the substantial decrease in the number of disappearances. Nevertheless, there were new cases of disappearances last year, and there are 80 cases which have not been resolved yet.

During the meeting the president stressed the huge problems his government is facing to combat terrorism. Hammarberg stated for that reason he told the president the world outside Peru and his organization are also aware of this problem. The Amnesty International official noted that of course the dilemma is to combat terrorism without human rights, which was the reason for the meeting. He also said they reviewed what measures the government may approve to confront the terrorist problems.

Hammarberg stated he and the Peruvian chief executive discussed the killing of some 300 terrorist inmates during the prison uprisings that occurred in Lima and Callao on 19 June 1986. The president reported that 124 inmates were executed by the police after they had surrendered.

The Amnesty International mission in Ayacucho, 575 km southeast of Lima, which has been in a state of emergency since 1983, will conduct on-the-spot investigations into reports of disappearances, illegal executions, and other human rights violations.

Hammarberg, who has been in Peru for the past 4 days, will go to Puno, 1,314 km southeast of Lima, after visiting Ayacucho.

GOVERNMENT PUTS SECURITY FORCES ON ALERT

PY162025 Buenos Aires TELAM in Spanish 1830 GMT 16 Aug 86

[Text] Lima, 16 Aug (TELAM-ANSA) -- The intelligence services of the Peruvian Government have detected a large subversive plan that may be carried out in the next few hours by subversives of the Shining Path or the Tupac Amaru Revolutionary Movement (MRTA) in Lima. Because of this situation, the government of President Alan Garcia Perez has ordered all security forces to remain on maximum alert this morning.

Through coded radio signals, Army troops and special police detachments were ordered to deploy their forces through the different districts of the capital while on the outskirts of Lima, on the Panamericana Sur Highway, civil guard patrols took strict security measures. The general alert was sounded in all police units, while motorized Army and infantry marine troops were deployed throughout Lima and in the nearby port of Callao.

According to the intelligence services, the commercial centers and shops in residential areas may be the main targets of the subversive action. It is noted that the MRTA might try to conduct armed takeover operations and sabotage in urban areas as well as an incursion into southern Lima, in an area known as Pachacamac in the Lurin district.

DE LA MADRID MEETS WITH JOURNALISTS IN U.S.

PA150429 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 14 Aug 86

[Report by Humberto Mares from Washington, D.C.]

[Text] President Miguel de la Madrid concluded his official duties in Washington today. This morning he met with U.S. publishers and columnists and with members of the Press Club. After a short speech, he answered questions. He told the audience that his conversations with President Reagan had been satisfactory and that the two exchanged views in a sincere and constructive manner on political issues and other matters of interests.

Speaking before 400 U.S. journalists, President De la Madrid reiterated that a climate of good understanding prevailed throughout their conversations, even on matters on which they hold different views.

President de la Madrid said we must prevent biased miniority groups, on both sides of the border which do not represent the interests of our countries, from creating a climate of tension and antagonism. We should not try to encourage rumors which can only harm the good relations between our countries, he said.

I am in favor of constructive criticism, I even encourage it, because it helps prevent efforts to confuse and misinform the people, De la Madrid added.

Referring to Mexico's financial situation, President De la Madrid said the negotiations carried out with the IMF and financial institutions were the best proof of the Mexican Government's desire to keep working on a structural reorganization of the country's economy. He also referred to Mexico's entry into the GATT.

Meanwhile, U.S. newsmen insisted on asking President De la Madrid about the elections in Chihuahua and drug trafficking. President De la Madrid told them that it was not within his power to annul elections and that the electoral authorities in Chihuahua must decide the situation, according to what the Constitution establishes for such cases. He also mentioned that the church has no business interfering in politics and elections.

Regarding drug trafficking, De la Madrid insisted on the need for every country to participate in the campaign against it, but always respecting the sovereignty of countries.

Following the news conference, which lasted approximately 2 hours, President De la Madrid returned to Mexico City.

SEPULVEDA ON BALAGUER, U.S.-MEXICO RELATIONS

PA160418 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 15 Aug 86

[Text] Foreign Relations Secretary Bernardo Sepulveda Amor left at noon today for the Dominican Republic. Sepulveda Amor will officially represent Mexico at the inauguration of new Dominican President Joaquin Balaguer. The inauguration will take place 16 August.

In Santo Domingo, outgoing head of state Salvador Jorge Blanco said that Balaguer is wrong when he said he will take over a country in shambles. Salvador Jorge Blanco said that his efforts, especially in the economic field, overcame problems that afflicted the Domincan Republic when he took power in 1982.

Joaquin Balaguer, 72 years old and almost blind, will assume the Domincan Presidency for the fifth time 16 August for a 4-year term.

Lorena Martinez is now at the international airport with a report:

[Begin relay] [Martinez] A few moments ago Foreign Relations Secretary Bernardo Sepulveda Amor left for the Dominican Republic to attend the inauguration of Dominican President Joaquin Balaguer in representation of Miguel de la Madrid. Shortly before leaving, he said that with the withdrawal of the tuna embargo, the United States is acknowledging Mexico's sovereignty over its 200 miles of maritime territory. He added that the importance of handling bilateral issues on time, creating an appropriate atmosphere to resolve problems, and ensuring a climate of trust and respect between the two countries were stressed during President Miguel de la Madrid's recent visit to the United States.

Finally, Sepulveda Amor announced that among the president's activities for the rest of the year are his participation in the UN General Assembly and a probable visit to Japan and China [not further specified]. [end relay]

OFFICIALS DENY DEA AGENT MISTREATED

PA161642 Mexico City XEW Television Network in Spanish 1300 GMT 16 Aug 86

[Text] Investigations continue in the case of the U.S. DEA agent, Victor Cortes, who allegedly was mistreated by Mexican judicial agents. In Guadalajara, Jalisco, officials of the attorney general's office are making inquiries together with the local authorities.

Attorney General Sergio Garcia Ramirez congratulated and obtained the collaboration of Jalisco authorities, through Governor Enrique Alvarez del Castillo and Jalisco's attorney general, Jaime A. Ramirez.

Commenting on the case of DEA agent Victor Cortes, the Jalisco governor said that the arrest of the American is such a small incident that it cannot be reason for division between Mexico and the United States. Alvarez del Castillo added that he considers illogical the version which states that the DEA agent was tortured during his 3-hour stay in the office of the judicial police in Jalisco.

Jaime A. Ramirez, attorney general for the state of Jalisco, denied that Cortes and a colleague were mistreated. He added that they were detained as suspects because they were in a car whose license plates did not correspond to the number on the rear window sticker and because they were armed and without identity documents.

The attorney added that the U.S. agents were not even taken to cells. Instead they were in an office until personnel from the U.S. Consulate arrived 90 minutes later.

The Jalisco attorney ended by saying that once the identity of the agents was established, both were set free, and neither was tortured.

Meanwhile, in Washington, U.S. Attorney General Edwin Meese was confident that Mexican authorities would clarify the situation and take appropriate steps to prevent similar incidents.

### U.S. Protests Incident

PA160356 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 15 Aug 86

[Text] As a result of the incident that occurred in Guadalajara a few days ago between a U.S. antinarcotics agent and Mexican policemen, the U.S. Government presented a protest note today to the Mexican Government. The presentation of the protest note was announced by White House spokesman Larry Speakes, who described the incident as particularly unfortunate. According to Speakes, the incident involved Drug Enforcement Agency agent Victor Cortes, who reported presumed outrages by the Mexican police. Cortes is now in Tucson, Arizona, The Mexican attorney general's office has reported that the incident is being closely scrutinized. In Guadaljara, however, the Jalisco attorney of justice Jaime Ramirez had denied that policemen abused Cortes.

## CHURCH URGES ANNULMENT OF CHIHUAHUA ELECTIONS

PA180227 Mexico City EL UNIVERSAL in Spanish 15 Aug 86 p 11

[Text] For the church, the case of Chihuahua is not finished. "We feel that the best thing to do in order to have peace, is to annul the elections and to agree to hold new elections in which the will of the majority will be expressed without any pressure or obstacle."

The archbishop of Chihuahua, Adalberto Almeida y Merino; Manuel Talamas Camandari, bishob of Ciudad Juarez; and Jose Llaguno Farias, bishop of Tarahumara, announced this in "A Moral Examination of the Electoral Process," addressed to the people of Mexico and issued yesterday by Francisco Ramirez Meza, secretary of the Social Communications Commission.

They say that when the validity of an election is opposed by a general protest, the election is self-defeating "because it no longer represents the people's legitimate will." In addition, the bishops from Chihuahua State's most important cities say the elections have left doubts about the legitimacy of the authorities elected. "Any person who takes office under such conditions will face serious problems in carrying out his duties, unless he imposes his will by force, which by all means is contrary to our democratic principles," they said.

Therefore, they add, by annulling the elections, the regime would give firm evidence of its desire to respect the people's vote, and this could help to bring much needed peace and tranquillity to Chihuahua.

On previous occasions the church officials did not receive any support, even from Chihuahua's Jesuit community. This time Monsignor Almeida received a communique in which the Jesuit community is offering its support and will participate in the actions to obtain peace and justice.

## PAN Continues Election Protests

PA171600 Mexico City THE NEWS in English 13 Aug 86 p 6

[By THE NEWS staff reporter Glenn Whitney]

[Excerpts] Members of the National Action Party (PAN) will move toward increasingly radical acts of civil disobedience until the results of the July 6 Chihuahua elections are annulled, a top party official said Tuesday.

Jesus Gonzalez Schmall, the PAN's congressional leader, said, "We will begin to radicalize our actions to defend democracy."

In a news conference held at the Legislative Palace, Gonzalez Schmall also announced plans to bring the annulment request to the Supreme Court. He was not optimistic about the success of a court fight to annul the elections, however, because the officials of the tribunal are nominated by the government, which is dominated by the Institutional Revolutionary Party. There is little chance for a decision in favor of the PAN, he said. [passage omitted]

Gonzalez Schmall rejected the idea that many members of his party might turn to abstention from voting to protest the electoral process. "I realize that it might seem illogical and absurd to continue to participate in an antidemocratic system," he said, "but I think the PAN must persist in its policy of exercising all resources to bring about change in the system. "Our participation has made it possible to reveal to the people that this is not a democratic government," he said. "Only through active participation do we have a chance to make our voices heard. Through our efforts, there is nobody in Mexico or outside who thinks that this is a democratic government." [passage omitted]

The PAN leader announced that the protest group headed by Chihuahua City Mayor Luis H. Alvarez arrived from Chihuahua to the city of Queretaro. This group will continue to speak against the "electoral injustices committed in Chihuahua," he said. He said the hunger strikes of Alvarez as well as those of Manuel Oropeza and Francisco Villarreal were effective in bringing about a greater public knowledge of what he termed "grave incidents of electoral fraud."

Gonzalez Schmall said according to Alvarez there are many citizens in the state of Chihuahua who believe fraud occurred in the elections and that the official results do not reveal the true wishes of the people. The government to be installed will not be accepted by the people of Chihuahua, he said. "The end of the hunger strike does not signify there is an end to the fight," he said. "There are plans to continue the fight with greater vigor and energy." [passage omitted]

## PEMEX DIRECTOR ENCOURAGED BY OIL PRICES

FL151630 Mexico City NOTIMEX in Spanish 1604 GMT 15 Aug 86

[Text] Mexico 15 Aug (NOTIMEX) -- The recent increase in international oil prices is an incentive for the economy and gives hope that the oil market will regain its order and stability at the world level.

This was reported by Pemex Director Mario Ramon Beteta, who was interviewed at the ceremony welcoming Mexican President Miguel de la Madrid from his 3-day visit to the United States.

The oil company official said even though the international oil market has not stabilized, the recent price increase is a positive sign.

We all hope, said Beteta, that the market will become stable and orderly as soon as possible so our countries and hydrocarbon consumers can benefit.

## BRIEFS

LOANS FROM JAPAN -- Japanese financial sources have announced a $1-billion loan for Mexico. They pointed out that Japanese Prime Minister Yasuhiro Nakasone requested the Japanese Import and Export Bank set aside the loan for Mexico. The sources indicated that $500 million will be used to build an oil pipeline. In addition, $260 million will be used to expand the (Sicarsa) Iron Plant, and the rest will be destined to promote exports. [Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 14 Aug 86 PA]

SWISS BANKS GRANT LOAN -- Three private Swiss banks today decided to grant $500 million to Mexico as part of $1.5 billion stand-by [previous word in English] credit. A cable from the Swiss news agency ATS received here indicates that the amounts approved by the three most important Swiss banks were reported in Zurich after a meeting held by a banking consulting committee which represents approximately 600 credit institutions. During the consulting committee meeting -- composed of 16 banks representing creditors -- it was decided that the new credits should be used to pay interest and not for new commitments. This was not further explained. The three issuing banks are Swiss Bank Society, Swiss Banks Union, and Credit-Suisse. [Excerpt] [Mexico City NOTIMEX in Spanish 1640 GMT 14 Aug 86 FL]

IMPORTS FROM U.S. DECLINE -- Mexico's purchases of capital goods, raw materials, intermediate goods, and consumer items from the United States have declined $34 billion in 4 years. In 1985, Mexico exported products worth $13.6 billion to the United States. [Summary] [Mexico City EL NACIONAL in Spanish 13 Aug 86 p 1 Economy section PA]

DROP IN INDUSTRIAL PRODUCTION -- The National Bank of Mexico yesterday reported that industrial production was minus 3 percent during the first 5 months of 1986 compared to a growth of 11 percent during the same period in 1985. [Summary] [Mexico City EL DIA in Spanish 13 Aug 86 PA]

## DELVALLE ATTENDS BALAGUER INAUGURATION

PA160129 Panama City Televisora Nacional in Spanish 0000 GMT 16 Aug 86

[Text] Panamanian President Delvalle arrived in Santo Domingo this afternoon to attend the inauguration of President-elect Joaquin Balaguer at the National Congress Palace tomorrow. Delvalle began a busy schedule. Some of his most important activities included participation in a toast offered by the Santo Domingo mayor, who gave Delvalle keys to the city. Delvalle later dedicated a square to General Omar Torrijos Herrera. The square was built under the municipal administration of Dominican political leader Francisco Jose Pena Gomez, who concludes his term with the square's dedication.

Delvalle and his retinue held a press conference at the Santo Domingo Hotel. Delvalle answered several questions; the most important dealt with Panama's participation in the Contadora Group, the Torrijos-Carter Treaties, and the return of the Canal. Tonight outgoing Dominican President Salvador Jorge Blanco and his wife will hold a reception for Delvalle. [end recording]

## CABINET CREATES INSTITUTE OF NATURAL RESOURCES

PA151836 Panama City Televisora Nacional in Spanish 0000 GMT 15 Aug 86

[Excerpt] A Cabinet meeting presided over by Panamanian President Eric Arturo Delvalle took place this afternoon. During the meeting a bill creating the Institute of Natural Resources [Instituto de Recursos Naturales] was approved, fulfilling a presidential promise.

The Cabinet meeting also appointed a special commission formed by Commerce and Industries Minister Jose B. Cardenas; Luis Alberto Arias, general manager of Panama National Bank; and Jose I. Blandon, the IRHE [Institute of Hydraulic Resources and Electrification] general director. This commission will review in detail the resources the Governments of Mexico and Venezuela offered to Panama regarding the handling and purchase of hydrocarbons, based on the San Jose Accord. That special commission will also list the benefits our country will receive from that international accord. [passage omitted]

## VICE PRESIDENTS MEET, DISCUSS C.A. PARLIAMENT

PA152008 Guatemala City PRENSA LIBRE in Spanish 15 Aug 86 p 9

[Text] The Central American vice presidents have agreed to appoint a commission to gather general observations on the Central American parliament's constitutional draft. This was stated in the joint declaration they issued last night at the conclusion of their meeting at the Camino Real Hotel.

The session of the preparatory commission in charge of organizing the parliament began at 1600 and ended at 2200.

They also agreed to create a commission that will be made up of two experts from each country, one of whom will be linked to the respective legislative branches, and whose names will be announced 8 days after 13 August.

The commission will be in charge of compiling all the observations regarding the constitutional draft in order to put them together and present a report no later than 15 September. The report will be disclosed during the second plenary meeting of the parliament's preparatory commission.

The delegations expressed their satisfaction with the progress achieved at this meeting. The delegations from Costa Rica, El Salvador, Honduras, and Nicaragua expressed their gratitude to the people and Government of Guatemala for contributing to the drafting of the constitution and for the expressions of friendship and fraternity they received during the meeting.

### Leaders Comment

PA151958 Guatemala City PRENSA LIBRE in Spanish 14 Aug 86 p 2

[Text] The Central American parliament will be the first political organization to resolve the regional problems in a search for permanent peace of our peoples, the Central American vice presidents said yesterday following their meeting in Guatemala City. This is their second meeting to organize this body.

The vice presidents of Guatemala, Costa Rica, El Salvador, Honduras, and Nicaragua met in the Camino Real Hotel. Also present at the meeting were [Costa Rican Foreign Minister] Rodrigo Madrigal Nieto from Honduras [as published] and [Foreign Minister] Mario Quinonez Amezquita from Guatemala.

The representatives of the legislative assemblies who form part of the commissions also attended the meeting.

[Guatemalan Vice President] Carpio Nicolle welcomed his colleagues. He said that the creation of the parliament is needed and this is the first organization that will discuss the various problems of the area that are hindering the development of our peoples.

He added that this meeting is the cornerstone of "a great home in which we will live together and discuss our problems to find solid solutions that will bring peace to the region."

The Costa Rican vice president said that "this organization goes beyond Contadora. It is a great effort by Central America to establish an instrument of cooperation to reach a common goal."

Meanwhile, the Honduran vice president said that the parliament represents an option for resolving the problems affecting us.

He said that this organization will also discuss the belligerent problems affecting Central America in view of the inflexible attitude of Nicaragua.

Salvadoran Vice President Castillo Claramount said the organization will fill the political vacuum that has been prevailing in the region for many years.

[Nicaraguan Vice President] Ramirez Mercado said that his country supports "President Cerezo's brilliant idea of creating a parliament, because this will be the most qualified organization for discussing our problems and finding feasible solutions."

The meeting concluded last night, and the delegations will be going home today.

## Ramirez Holds News Conference

PA151303 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 14 Aug 86

[News conference by Nicaraguan Vice President Sergio Ramirez Mercado with unidentified reporters; place and date not given]

[Text] [Reporter] Nicaraguan Vice President Sergio Ramirez Mercado, we would like to ask your opinion regarding this meeting of Central American vice presidents.

[Ramirez] Our opinion is very favorable. We have come here with much enthusiasm and optimism, knowing that we will advance in the creation of the Latin American parliament [as heard]. This is a [word indistinct] hope for the Central American countries.

[Reporter] Does Nicaragua feel that this meeting and this parliament will somehow create a strictly Central American context?

[Ramirez] [Words indistinct] Central America. It is not subject to any foreign influences. Central America must remain for the Central Americans, and we must be the ones to build our [words indistinct].

[Reporter] What is Nicaragua's position at this meeting?

[Ramirez] We have advanced; this is a step forward. I hope that very soon the Central American presidents will be able to sign the treaty that creates the Central American parliament.

[Reporter] Has Nicaragua placed conditions or made proposals?

[Ramirez] There are no conditions. We fully agree with Guatemala's proposal. We are here to continue studying it.

[Reporter] Some governments, not the Guatemalan Government, but other governments such as the Costa Rican Government, have said that the Nicaraguan Government is not democratic. What is your opinion?

[Ramirez] There are many opinions regarding democracy. We are very busy resolving the Nicaraguan problems, and we are not about to ask whether other countries have or do not have a democratic system. That is none of our business. [Sentence indistinct].

[Reporter] What can you tell us about Nicaraguan democracy?

[Ramirez] We have a government and National Assembly chosen by the people. We are drafting our constitution. We are consolidating democracy according to our country's needs and according to our country's situation. [passage indistinct]

[Reporter] At this meeting of vice presidents is it possible that Nicaragua may suggest a condition of [word indistinct] intervention of foreign forces in Central America?

[Ramirez] It is not part of the agenda; however, this is included in the Contadora proposal. We feel that no force foreign to this region, regardless of ideology, should intervene in Central American matters.

[Reporter] Speaking of Nicaragua and its government, can the government (?confront) a foreign invasion?

[Ramirez] It is not something we are looking forward to. It is something we hope will never happen, but there is that possibility. Therefore, we are preparing to confront it [words indistinct].

[Reporter] [Words indistinct] Nicaragua of the arms race talked about in Central America?

[Ramirez] It is unfortunate that Central America and the peoples of Central America must purchase weapons when they should be building schools, hospitals, and irrigation systems for the agriculture sector and improving the industrial sector. I think that our peoples [words indistinct] peace so that these weapons will not be necessary [words indistinct].

[Reporter] During the Esquipulas meeting Honduran President Azcona said that, unfortunately, Nicaragua had to buy weapons instead of food because of the aggression it is experiencing. [Sentence indistinct]

[Ramirez] Nicaragua is not the only country that purchases weapons. There are other Central American countries that also [words indistinct] weapons. When we speak of demilitarization we must speak of demilitarization of the Central American area.

[Reporter] If an invasion did occur, is Nicaragua militarily ready?

[Ramirez] Of course. We are willing to defeat any kind of military aggression, we the Nicaraguans. We are trained for this. We have no one else. We, the Nicaraguans, will defend our homeland.

## COSTA RICA

### GOVERNMENT RULES OUT MEETINGS WITH NICARAGUA

PA151504 San Jose Radio Reloj in Spanish 1200 GMT 15 Aug 86

[Text] Costa Rica will not attend any meeting with Nicaragua's participation. Costa Rica asked the Central American delegations present at the installation of the commissions organizing the Central American parliament not to convoke any meetings of area vice presidents or foreign ministers.

The request was made by Costa Rican Foreign Minister Rodrigo Madrigal and was supported by Guatemala, El Salvador, and Honduras. Madrigal said that so long as the suit [with Nicaragua] is not resolved, Costa Rica will not attend any meeting where Nicaragua would also be present. The decision was made as a result of the charges filed by Nicaragua against Costa Rica at the International Court of Justice [ICJ].

Madrigal added: Costa Rica has decided not to attend any meeting with Nicaragua until the legal suit at the ICJ is settled in order to avoid goodwill gestures that contradict the facts. Madrigal said that Costa Rica will not listen to expressions of goodwill, support for democracy, or the like at joint meetings when actions are contradictory and quite the opposite.

In view of this situation, and so long as the charges filed by Nicaragua at the ICJ are not settled, Costa Rica will not attend any joint meetings with that country.

ARIAS ON SENATE APPROVAL OF CONTRA AID

PA151707 San Jose Radio Reloj in Spanish 1200 GMT 15 Aug 86

[Text] President Oscar Arias has said that the U.S. Senate's approval of aid for Nicaraguan counterrevolutionary groups was decided some time ago. He stressed that it was expected, as the Republican Party has the majority in the Senate. However, Arias said he would prefer a peaceful, negotiated solution to a military solution.

He reiterated his concern over the consequences of the Nicaraguan war in our country. He recalled that his government's intention is to reactivate the economy and promote a climate of peace to encourage new investments and create more jobs. However, the intensification of the war in Nicaragua will increase the immigration of Nicaraguans and with it the danger to our identity posed by the presence of 250,000 foreigners in our country.

Arias reiterated his conviction that Nicaragua is basically responsible for the Central American situation, because it has not shown flexibility, tolerance, or any ability [words indistinct], as requested at the Esquipulas presidential meeting. Instead, the daily LA PRENSA was closed down and some priests expelled, Arias said.

President Arias said that he has no reason to doubt President Reagan's commitment not to send U.S. soldiers to Nicaragua. He added: Although it may seem late to find a peaceful solution for the conflict, we must look forward to the Contadora Group's next meeting. The Contadora Group will hold its next meeting in New York in September, during the opening of the UN sessions.

BRIEFS

AMBASSADORS APPOINTED -- Today the Council of Government confirmed the appointments of six ambassadors who were approved by the countries where they will work. They are: Marco Avelio Guillen to Canada, Miguel Angel Campo Echandia to Brazil, Alvaro Monge Umana to Peru, Miguel Yamuni to Panama, and Oscar Roman Hernandez to Venezuela. In addition, Carlos Jose Gutierrez was confirmed as the Costa Rican ambassador to the United Nations. [Summary] [San Jose Radio Reloj in Spanish 0100 GMT 14 Aug 86 PA]

## EL SALVADOR

### DUARTE MEETS ORTEGA, DEMANDS END TO 'MEDDLING'

PA171841 Madrid EFE in Spanish 1745 GMT 17 Aug 86

[Text] Santo Domingo, 17 Aug (EFE) -- Salvadoran President Jose Napoleon Duarte today announced that last night he demanded that his Nicaraguan colleague Daniel Ortega respect the independence of El Salvador. Duarte announced that in the National Palace of Santo Domingo, with President Joaquin Balaguer between the two of them, he demanded of Ortego that the Sandinists not meddle in El Salvador's affairs, "because El Salvador does not meddle in Nicaragua's."

According to Duarte, Nicaragua "has meddled and is meddling by setting up a sanctuary for Salvadoran guerrillas, helping them and giving them supplies and all types of logistical support, and that obviously endangers the stability of my country." He said that El Salvador has never meddled in Nicaragua's domestic affairs, and, therefore, "we demand that Nicaragua, in reciprocity, respect the integrity and self-determination of the Salvadoran people and try not to spread its revolution to other nations."

With Ortega on his right and Duarte on his left, President Balaguer hosted a dinner last night for the presidents who attended his fifth inauguration on 16 August.

"I told him that in order to find a path of peace in Central America there must be a political will on the part of all the parties involved," Duarte stated in a news conference held this morning in a hotel in Santo Domingo. Shortly after, Ortega called a news conference in which he said that Nicaragua is disposed to signing the peace document of the Contadora Group on 16 September. He did not comment on, although he did confirm, the "exchange of views" with Duarte and Panamanian President Eric Arturo Delvalle.

The Salvadoran president told Ortega: "There cannot be an understanding among the Central American nations if Nicaragua commits the immense mistake of making demands at The Hague tribunal on democratic nations, especially on the democracy par excellence of the Costa Rican nation." He added that he told Ortega Saavedra that so long as Nicaragua aids the Salvadoran rebels, it is endangering Central American stability.

Duarte told Ortega: "We need to hold dialogues in our efforts to achieve detente, not at a bilateral level, but a multilateral effort which the five nations would feel calm and secure that Nicaragua would not destablize Central America." According to Duarte, the Managua government is willing to sign the Contadora peace document if the United States agrees to discuss the fate of Central America with the Sandinists.

Duarte stressed that, as a Salvadoran, he will not allow the Sandinists to discuss El Salvador's fate with the United States, because the Salvadorans are the only ones who can determine the country's fate. He said that, as in a laboratory, there are currently two models of revolution: the Sandinist revolution, which he described as Marxist, and the Salvadoran revolution, which is democratic.

Duarte said that Latin America practices and adopts democratic revolutions, and this is reflected in its efforts to rid itself of dictatorships. He said that his country's guerrillas are fleeing in disarray due to the training and control exercised by the Army throughout the national territory.

Duarte said that the guerrillas' actions have no military importance and that the few operations they have carried out serve only to generate international news. He said that there are only remnants of guerrillas left at the Honduran border. However, once border problems between the two countries are resolved, the guerrillas will be eliminated.

He called on the guerrillas to rejoin democratic life in El Salvador and cited the case of guerrilla leaders who have taken advantage of what he called a permanent amnesty, who are now enjoying a problem-free civilian life.

The Salvadoran Government and guerrillas will meet on 20 August in Mexico to draft a peace agreement to end a war that began on 10 January 1981 with the so-called "general offensive" of the FMLN military front. That meeting will pave the way for a third round of negotiations between government representatives and the rebels that the government has proposed for 29 August.

DUARTE NAMES REPRESENTATIVES TO TALKS IN MEXICO

PA151736 Panama City ACAN in Spanish 1705 GMT 15 Aug 86

[Text] San Salvador, 15 Aug (ACAN-EFE) -- The Salvadoran Government today announced the names of President Jose Napoleon Duarte's delegates to the private talks with the guerrillas, which will take place in Mexico on 20 August. The commission will be made up of Rodolfo Antonio Castillo Claramount, vice president and foreign minister, Julio Adolfo Rey Prendes, the communications and culture minister, who is also one of Duarte's closest aides, and union leader Ricardo Soriano.

The meeting in Mexico will be in preparation for the third round of talks between the government and the guerrillas, which will supposedly be held in El Salvador, as agreed by the two parties. Edmundo Viera, deputy communications minister and government spokesman for the dialogue with the rebels, reported today that the delegation that will attend the 20 August meeting in Mexico is serious about preparing the third round of the peace talks." [quotation marks as received]

Colonel Reynaldo Lopez Nuila, the deputy security minister, and Alejandro Duarte, President Duarte's son and secretary of the Presidency, will be advisers for the commission; however, they will not be present at the private meetings. Viera said that the presidential commission is interested in establishing the date, place, and mechanisms for the third round of the dialogue for peace.

Rebel Delegation Named

PA152238 Panama City ACAN in Spanish 2123 GMT 15 Aug 86

[Text] San Salvador, 15 Aug (ACAN-EFE) -- The Salvadoran guerrillas announced today the names of the members of the delegation that will represent them during private meetings with the government in Mexico to prepare for the third round of talks. The guerrillas, however, stressed that their delegation "would not be of the highest level."

During a telephone interview with a local radio station, FDR President Guillermo Manuel Ungo said that the rebels' delegation will be formed by Salvador Samayoa of the FMLN, Jose Villacorta of the FDR, and Arnet Diaz as assistant, Ungo said that "the rebels' delegation is not of the highest level."

The Salvadoran Government also announced today the names of the members of their delegation to participate in the Mexico talks. They will be Rodolfo Castillo Claramount, vice president and foreign minister, Adolfo Rey Prendes, minister for communications and culture, and Ricardo Soriano, a union leader.

Referring to the top-level commission proposed by Salvadoran President Jose Napoleon Duarte, Ungo said: "They want to take us in." He also disagreed with the meeting's taking place at the Salvadoran Embassy in Mexico City. Ungo pointed out that "the only spokesman authorized to announce the place and the procedures for the meetings as well as the commissions is the mediator, Bishop Arturo Rivera y Damas, although he is the only one who has kept silent." Rivera y Damas has been the mediator between the government and the Salvadoran guerrillas since the preparations for the new round of talks began.

On 4 August the Salvadoran Government proposed to the FMLN and the FDR to hold the new round of talks on 29 August in San Miguel, after private conversations to be held out of the country to agree on the agenda. The rebels refused to meet on 29 August in public, but instead agreed to meet in Mexico City on 20 August to determine the date, place, and procedure to be followed during the third round of talks.

Later in the interview Ungo said: "Duarte and his government are making propaganda, trying to surprise us (the guerrillas) and public opinion." Ungo added: "Duarte accuses us of trying to manipulate the dialogue and its preparation for propaganda purposes. It is the government, however, that is mounting a show."

Through these preliminary meetings the government and the guerrillas are trying to fix the place, date, and procedures for the third round of talks for peace. The rebels and the government have met twice, in October and November 1984, but no agreement was reached in either of the two meetings to end the war that has lasted for more than 6 years.

## Viera Views Delegation

PA161552 San Salvador Raio Cadena YSKL in Spanish 1730 GMT 15 Aug 86

[Text] YSKL listeners, shortly we will have statements made this morning by Roberto Edmundo Viera, deputy culture and communications minister, in regard to the commission or the members of the Salvadoran Government commission which will meet with the FMLN-FDR guerrilas in Mexico on 20 August. Viera said that the commission is formed by six people, three of whom are official members of the commission and three of whom are advisers.

[Begin Viera recording, in progress] ... the national working commission with the president, and ratify the government's decision to give a content of seriousness and responsibility to these meetings in Mexico, which will set the date, place, and mechanism for the third round of the dialogue. Based on that seriousness and that responsibility, a representative, high-ranking government commission has been named. That commission will be formed of three people who will participate in the meetings and a group of three advisers, who will not participate directly in the meetings but will participate in the making of any decision regarding the mechanism and the operation of the dialogue.

The commission attending the meetings with FMLN-FDR members is made up of Rodolfo Castillo Claramount, vice president of the Republic and foreign minister; Julio Adolfo Rey Prendes, minister of culture and communications; and Ricardo Soriano, secretary general of Fesinconstrans [Federation of Trade Unions of the Construction and Related Industries, Transport, and Other Activities], who was proposed by the National Peasant-Worker Unity.

The three advisers attending the meeting with them are: Colonel Reynaldo Lopez Nuila, Jose Alejandro Duarte, and Fidel Chavez Mena. The commission highlights the seriousness which the government is giving the meeting in Mexico, and for that reason it is giving this level of representation to the commission. As you can see, the vice president of the Republic is heading the commission going to Mexico.

In this regard, we trust and hope that during this meeting we will determine the date and place as well as all the operational mechanisms for the third round of talks. This is basically the information regarding the commission. It will be in Mexico on 20 [August].

We are proposing to meet at the Salvadoran Embassy. Granted, they will reject the embassy, alleging that the meeting will not be private and that the place is known. Still, they have not proposed an alternative site. Our commission will be there. If they make contacts through the mediator to seek a different place in Mexico City, we are willing to seek a place. That is not a matter of honor and or a major point. The place could be some other area which would expedite the meetings.

Regarding the terms they have used, as they told Msgr Arturo Rivera y Damas, they are talking about prior private meetings. In this respect, our view of the concept of private does not mean that the location or whether the meeting will take place be kept secret. It is known that a meeting will take place. What is discussed is viewed as private, because the specific working commissions know about them. If the two sides do not reach an agreement, then things will remain at that level. If the two sides reach an agreement, the results of the talks held will be disclosed. That is our view on private meetings. It is not a matter of not disclosing that the meeting is taking place, but rather of not disclosing the topics discussed. This is handled as an agreement between the two sides.

Therefore, this is the commission which the government has set up. As you can see, this is top-level government commission. We hope that the FMLN-FDR treats this meeting with the same seriousness which the government does. [end recording]

It was unofficially reported this morning that the FMLN-FDR had named Salvador Samayoa to represent the FMLN. Also, Jorge Alberto Villacorta was unofficially mentioned, as well as Ruben Zamora of the FDR, to attend the prior meeting in Mexico City on the 20th. It was also reported that when the Salvadoran delegation arrives in Mexico an agreement on where to hold the meeting could be reached. The guerrillas, through Radio Venceremos or the mediator, could disclose their proposal to meet in some place other than our country's embassy in Mexico. [End recording]

VENCEREMOS CLAIMS HELICOPTER DOWNED BY REBELS

PA170232 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 17 Aug 86

[Text] At 1100 today, 16 August, a Rafael Arce Zablah guerrilla unit shot down a UH-1H helicopter near Arambala in northern Morazan Department. The helicopter was ambushed, shot down, and totally destroyed. Its crew, including two pilots and two gunners, was killed. This is the 4th helicopter shot down in Morazan and the 19th aircraft destroyed in the eastern region of the country. It is also the 48th aircraft destroyed by the Rafael Arce Zablah Brigade.

## GUATEMALA

### CEREZO COMMENTS ON PLOT TO DESTABILIZE REGIME

PA170116 Panama City ACAN in Spanish 2330 GMT 16 Aug 86

[Text] Guatemala City, 16 Aug (ACAN-EFE) -- President Vinicio Cerezo has downplayed a plot by "agricultural and military" sectors to destabilize his Christian Democratic regime which was uncovered this week.

The president, who yesterday went to Quiche Department, 164 km northwest of the country [as received], to inaugurate a regional fair, stated: "The destabilizing plan did not succeed because of the Army's loyalty to the process of democratization."

Cerezo disclosed that during a recent meeting with unidentified conservative politicians a group of agricultural exporters who are apprehensive about land reform talked with Army officers to get their support to topple the government.

The Guatemalan agricultural sector which sought the military's support was thinking of starting a "destabilizing plan" with the murder, kidnapping, and disappearance of "well-known personalities," according to yesterday's disclosures by the "Tele Prensa" newscast and the dailies LA HORA and PRENSA GRAFICA.

In addition, they had planned to step up destabilizing actions with a shortage of staple products and an increase in the price of food to cause an adverse reaction among the people "during a moment of despair."

The president did not reveal the names of the leaders of agricultural exporters who were involved in the plot. However, according to unofficial reports, government officials may be involved. The Christian Democratic government is currently facing strikes in 38 hospitals and 336 state health centers, pressures to increase the wages, and pressures by the private sector to raise the price of milk.

Also, there has been a critical shortage of sugar in the domestic market, to the extent that the Treasury Police had to conduct an operation in this capital and arrest 28 persons for hoarding the product.

The civil government views these incidents and the increased crime reported daily by the National Police as part of the destabilizing plan.

Agricultural exporters are apprehensive that the government will support expropriation land reform owing to the demands by Father Andres Giron, the leader of southern coast peasants, who is asking that land be given to 75,000 dispossessed families.

Defense Minister General Jaime Hernandez Mendez and Interior Minister Juan Jose Rodil Peralta have not commented on the plot.

QUINONEZ ON TIES WITH UK, NATION'S IMAGE ABROAD

PA161424 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 14 Aug 86

[Text] The Guatemalan foreign minister has said that more publicity abroad is required but that there is a shortage of money for this. A few days ago this radio station aired an interview during which Deputy Guillermo Enrique Villar Anleu of the Christian Democratic Party said that he had just visited Europe and learned that Guatemala's poor image abroad continues, despite the democratization process initiated by the current government. During the interview, Villar Anleu said that some diplomats were useful only to attend cocktail parties. He added that he would report this situation to President Vinicio Cerezo Arevalo so that it could be corrected.

Regarding these remarks by Deputy Villar Anleu, this radio station interviewed Foreign Minister Mario Quinonez Amezquita, who also discussed other topics of international interest.

[Begin recording] [Reporter] [words indistinct] the resumption of consular relations with the United Kingdom on 15 August?

[Quinonez] Well, I will answer your question in all respects. Consular relations between the two countries will be established. The date that you have mentioned, however, is wrong. It will not be on 15 but on 19 August. At 0900 the two countries will release a joint communique [words indistinct]. The relations to be established will be consular, not diplomatic. This will occur on the morning of 19 August. Then we will issue a simple communique, mentioning only the reestablishment of consular relations and Guatemala's position.

[Reporter] Mr Minister, what implications will this have for Guatemala?

[Quinonez] Basically, it will accomplish two things: One, we will have better trade with the United Kingdom and neighboring nations; and two, we will be able to [words indistinct] and exchange views about [words indistinct]

[Reporter] Has the Guatemalan consul to represent us in the United Kingdom been appointed?

[Quinonez] No, not yet. Several candidates are being considered.

[Reporter] Will future relations with the United Kingdom and the question of Belize have [words indistinct]?

[Quinonez] [passage indistinct] As I have said a number of times, we will exchange views directly. Both the United Kingdom and Guatemala have been considering some proposals to be exchanged during a coming meeting. Perhaps we will reach an understanding.

[Question indistinct]

[Quinonez] Not even if they come accompanied, except if they come as citizens [words indistinct] regarded as government representatives.

[Reporter] One last question. In the context of Guatemala's new image, has the establishment of diplomatic relations with Cuba been considered?

[Quinonez] The truth is that diplomatic relations are established with a country [words indistinct] exchange. In other words, we do not have commercial or diplomatic relations at present. Some have said such relations could be possible in the future. No such relations, however, are contemplated at present.

[Question indistinct]

[Quinonez] In the first place, I do not accept as true the opinion of [words indistinct]. The country's image has changed greatly. [passage omitted] The proof of this is that the human rights commission [words indistinct] relaying information to various governments. This information does not always reflect reality. This does not mean that they create a poor image of the country, this means that some people do not want the Guatemalan democratic process to succeed. [passage indistinct]. Now, I do think the country must make an effort to improve certain aspects of its foreign diplomatic relations, not only on the level of embassies or [words indistinct] but also public relations. [passage indistinct] We (?invite) local news agencies to spread information, make the country known, have very good relations with the press of all those places, particularly Europe, but this is not precisely [words indistinct]. There should exist an agency in parallel with the diplomatic service to do this work. I do admit that it is necessary to speed up the country's public relations.

[Reporter] Have you suggested something about this to the president of the Republic?

[Quinonez] Not only have I made suggestions, I have requested a budget increase to allot special funds for this. [end recording]

## HONDURAS

### ARMED FORCES COMMUNIQUE ON CRASH OF C-130

PA160004 Tegucigalpa Domestic Service in Spanish 2200 GMT 15 Aug 86

[Special communique issued by the Armed Forces; read by Colonel Leonel Gutierrez Minera at the Hernan Acosta Mejia Air Force Base in Tegucigalpa; date not given -- live]

[Excerpt] The Honduran Armed Forces hereby report:

A. On Thursday, 14 August 1986, a C-130 Hercules airplane with registration number FAH-556 departed from Tegucigalpa at 1035 for Dursuna, Mocoron, Gracias a Dios Department, on an official mission for the Armed Forces.

B. The airplane's crew was made up of Lt Col Luis Isidro Aguilar Godoy, Air Force Major Rigoberto Casco Posas,Air Force 2d Lt Marvin Edgardo Meza Valladares, 2d Sgt Hector Nery Hernandez, and 2d Sgt Miguel Maldonado David.

C. The aircraft was carrying 52 persons, including civilians and military members of the 5th Infantry Battalion; a list of their names is attached to this communique.

D. At 1400 vague reports were received from various sources indicating that some people had seen a burning plane near the community of Pimienta.

E. All possible means of contacting the aircraft were exhausted, and given that it did not reach its destination at the estimated time of arrival, airplanes and helicopters were sent to look for it. The search continued until nightfall and was renewed early this morning.

F. Today at 1000 the wrecked airplane was located close to Pimienta, at the following coordinates: 84 degrees 45 minutes West and 15 degrees 10 minutes North. The aircraft was totally destroyed, and all its passengers were killed. The force of the impact caused the disintegration of the aircraft, which caught fire. Consequently, the recovery of all the bodies has been difficult, and in some of the cases the bodies have been burned completely. Thus, it is not possible to identify all the bodies -- which will be brought to this capital tomorrow for a funeral service at the 1st Infantry Battalion headquarters. The funeral entourage will depart from there for their Christian burial.

G. Preliminary reports, issued by members of the Air Force's Department for the Investigation of Aircraft Accidents -- who have been at the site of the tragedy since yesterday --- have revealed to the Honduran Air Force General Command that the severe weather conditions which prevailed in the area might have been the cause of this deplorable accident, which has brought mourning to Hondurans. A final report on this accident will be officially issued as soon as we have all the elements which pertain to an investigation of this type.

2. [number as received] The Honduran Armed Forces, upon reporting this sad information, publicly state their sorrow at the irreplaceable loss of dear comrades and distinguished citizens. We avail ourselves of this occasion to present our sincere condolences to all the relatives of the victims who died in this deplorable accident. Also, we raise our prayers to the Lord for the eternal peace of the souls of our dear comrades in arms and their relatives. [passage omitted]

ARMY APPOINTS TEMPORARY FUSEP COMMANDER

PA161428 Tegucigalpa EL HERALDO in Spanish 14 Aug 86 p 5

[Text] Colonel Alonso Tercero Beltran will temporarily assume the post of Public Security Forces (FUSEP) commander general, replacing Colonel Wilfredo Sanchez Valladares.

This was reported by Lieutenant Jose Anael Perez, chief of the FUSEP's Public Relations Department. He said that according to the law, Col Tercero Beltran assumed the top-ranking national security post as of yesterday.

Col Sanchez Valladares and Colonel Roberto Nunez Montes were suspended by the Armed Forces top echelons while there is an investigation of the public charges issued by Nationalist Deputy Rodolfo Zelaya.

Zelaya has claimed that the attack which was recently carried out against him was due to the "envious feelings" that Nunez Montes (G-2) feels for him because he has not been able to participate in Zelaya's business activities. He also said that Col Wilfredo Sanchez Valladares is involved in this.

Meanwhile, a commission comprised of top-ranking Armed Forces officers is investigating the charges, so top military echelons decided to temporarily suspend Sanchez Valladares and Nunez Montes. The deputy and businessman has been instructed to provide appropriate evidence.

Col Alonso Tercero Beltran formerly held the post of FUSEP inspector general, so he should assume the post of FUSEP commander general, it was stated by Lt Perez. The Armed Forces' Public Relations Department had not revealed as of yesterday afernoon who would replace the military intelligence (G-2) commander, Col Roberto Nunez Montes.

GONZALEZ MUNOZ 'SURPRISE' ENVOY TO NICARAGUA

PA161411 Tegucigalpa EL HERLADO in Spanish 14 Aug 86 p 2

[Article by Ramon Murillo Cantoral]

[Text] Tomorrow Colonel Efrain Lisando Gonzalez Munoz, former chief of the Joint General Staff of the Honduran Armed Forces, will take up his post as Honduran ambassador to Nicaragua in what appears to be an independent effort by the government to improve relations with Nicaragua.

The appointment of the veteran officer is a political-military surprise, as during a recent conversation with one of our editors he said that his new destination was the Honduran Embassy in Guatemala.

Until last month Gonzalez Munoz had been military attache at the Honduran Embassy in El Salvador, after having been chief of the Joint General Staff following the forced resignation of the previous commander, General Walter Lopez Reyes.

The transfer of Gonzalez Munoz to the embassy in Nicaragua was decided in a matter of hours, as he was just about to travel to Guatemala, whose government had already given approval. In addition, President Azcona Hoyo had already authorized the appointment.

The former chief of the Joint General Staff of the Honduran Armed Forces will also act as military attache in Managua.

Officials close to the presidential palace interpreted the appointment of Gonzalez Munoz as an attempt to improve relations with Nicaragua, which have been at a low level since the triumph of the Sandinist revolution in July 1979.

Gonzalez Munoz is considered a moderate within the Armed Forces and one who could carry out a better tour of duty than the ambassadors to Nicaragua during the last few years.

In addition, it is believed that he could be a valid speaker for the Sandinists, considering that the Sandinists gave him their approval within hours.

Initially it was announced that the new ambassador to Nicaragua would be Colonel Rigoberto Regalado Lara, brother of the present commander in chief of the Armed Forces, General Humberto Regalado Hernandez, and also military attache to the Honduran Embassy in Guatemala.

Gonzalez Munoz survived the "purge" a few years ago against the young officer movement that overthrew former President Oswaldo Lopez Arellano and which brought to power General Juan Alberto Melgar Castro.

At that time several officers were removed from active duty and branded as leftists, which was never proved. Among them were Juan Ramon Molina Cisneros, Mario Maldonado, Mario Leonel Fonseca, Gerardo Wildt Yates, and others.

In Gen Melgar Castro's government, Col Gonzalez Munoz held the post of minister of culture, tourism, and information. From there he went on to several posts within the military.

He was also founder of the Armed Forces Public Relations Office.

## NICARAGUA

### RAMIREZ CRITICIZES APPROVAL OF CONTRA AID

PA152024 Guatemala City PRENSA LIBRE in Spanish 15 Aug 86 p 14

[Text] The $100 million in aid for the contras is an unfortunate, unjust, and illegal decision, Nicaraguan Vice President Sergio Ramirez Mercado said during an interview shortly before he returned to his country. Ramirez said: "The United States has no right to intervene in Central America, much less to promote a war to harm the Nicaraguan people."

He recalled that the International Court of Justice recently ruled in favor of Nicaragua and demanded a stop to those attacks. President Reagan's [as published] decision is illegal and places him on the margin of international law.

Ramirez said that the million-dollar aid for the contras will only worsen the situation and entails grave risks and great tensions. We are worried because the warlike situation in Central America could become worse, he said.

"The United States is meddling in Central American affairs; however, Nicaragua will successfully repel the Somozists' invasion," Ramirez Mercado concluded.

### GOVERNMENT PULLS FOREIGN WORKERS FROM WAR ZONE

PA161337 Managua Radio Sandino in Spanish 1930 GMT 15 Aug 86

[Text] Salvador Alarcon, public relations officer of the Nicaraguan Committee of Solidarity with the Peoples [CNSP], announced today that the committee is withdrawing all internationalists and cooperation workers who are helping the revolution in the war zone. Alarcon announced that the CNSP will issue an official statement this afternoon in regard to the transfer of the cooperation workers and internationalists to another zone. He said that a meeting has been scheduled with all foreign residents to brief them on the new measures the government has adopted.

This does not mean that international solidarity with Nicaragua will be discontinued. In the next few months measures will be adopted with regard to the internationalist brigades that come to Nicaragua to participate in the coffee harvest, Alarcon noted.

[Begin recording] [Alarcon] With this decision, the CNSP is complying with the revolutionary government's orders. Along these lines, the brigades we are attending to now are being moved to areas quite close to the departmental seats. In addition, the brigades that are arriving or are scheduled to arrive [words indistinct] to take charge of some projects they are sponsoring will also be housed in areas near departmental seats. This decision has been adopted by the CNSP leadership to comply with the revolutionary government's instructions.

[Reporter] Historically, internationalist brigades have been formed to help the Nicaraguan people with the coffee harvests and other activities. How is it going to be during this coffee season? Will this be kept up, that is, will brigades of pickers be formed?

[Alarcon] As we understand it, Commander of the Revolution Jaime Wheelock, minister of agrarian reform, has said that the most qualified people will pick the coffee this season. That is to say, this coffee harvest is being handled differently. [passage indistinct] I cannot answer your question directly now. We must wait to see what the situation is when the harvest begins to be able to say what will happen. I would dare say at this moment that the brigades of pickers will be located in areas as close as possible to the departmental seats.

[Reporter] In view of this situation, what will the CNSP do about projects scheduled to be implemented before the end of this year?

[Alarcon] The projects will continue. They will not stop. However, what we must make clear is that Nicaraguans will be (?exclusively) in charge of these projects. Nicaraguans will fill the positions the internationalist companeros had filled voluntarily and will take charge of fulfilling the projects, even if they are financed by international solidarity. This does not mean that the committees of solidarity that had money for a project will withhold it. The solidarity will continue from this standpoint. [passage indistinct]

[Reporter] Generally speaking, have the internationalist cooperation workers understood the measure adopted by the revolutionary government?

[Alarcon] We feel their reaction has been very positive [words indistinct].

[Reporter] Have you determined if there is a tendency among the counterrevolutionaries to assail international solidarity?

[Alarcon] Yes, the CIA has issued this guideline to the mercenary forces to reduce solidarity with Nicaragua, to intimidate the internationalists. However, you have noticed that the statements coming from all solidarity sources have been very [words indistinct]. They have said that they will always be ready to continue supporting this popular revolution and sending more brigades. This has demonstrated that these people have a great solidaristic feeling toward the revolution. [end recording]

## REPATRIATION OF MISKITOS, SUMUS ANNOUNCED

PA160450 Managua EL NUEVO DIARIO in Spanish 15 Aug 86 p 8

[Text] Reinaldo Antonio Tefel, president-minister of the Inssbi [Nicaraguan Social Security and Welfare Institute] said yesterday that in the next few months 2,000 Indians will enter the country as part of a repatriation program implemented by other organizations.

On this matter, he said that there exists a tripartite commission formed by the Nicaraguan Government, the United Nations Office of the High Commissioner for Reguees (UNHCR) and the Honduran Government.

He noted that in the past months from 6,000 to 7,000 Miskitos and Sumus voluntarily returned to their places of origin. "They have repatriated themselves. They crossed the border and returned to their homes," he explained.

"If the black legend of the ethnic persecution were true, they would not repatriate themselves en masse," Tefel said. He said that the Indians were forcibly taken to Honduras or had been deceived.

Moreover, UNHCR Representative in Nicaragua Jaime Ruiz de Santiago told the local press that $300,000 had been earmarked for the repatriation's first phase.

The program, which also includes the repatriation of refugees, could end by the end of the year. They will receive housing, food, and fishing materials.

FDN PLEDGES TO RESPECT COSTA RICAN NEUTRALITY

PA170042 Panama City ACAN in Spanish 1948 GMT 16 Aug 86

[Text] San Jose, 16 Aug (ACAN-EFE) -- The anti-Sandinist FDN today reiterated its respect for Costa Rica's neutrality regarding the conflict in Nicaragua and stated that it will "never" involve Costa Rica in its struggle.

A document signed by eight FDN commanders of the "Southern Front" also says that the FDN will not provoke any incident on the Nicaragua-Costa Rican border and will "never" set up military bases in the latter country.

The Costa Rican Government has declared neutrality in the Nicaraguan conflict. In the past few months it has mounted several police operations to determine the location of clandestine field hospitals and recovery centers for the counterrevolutionaries in Costa Rica. These hospitals and recovery centers operate without official authorization.

According to the FDN communique, its 4,500 combatants fight in a 25,000-sq-km area in southern Nicaragua. It added: "This strategy, applied over these 3 past years, has allowed us to operate from our own territory and among our own peasants."

According to the FDN commanders, the $100 million in military and humanitarian aid that the U.S. Senate approved for the counterrevolutionaries this week will make it possible for them "to make important progress" in the struggle against the Sandinist government.

The document also said: "We will not disappoint the Nicaraguan people, the U.S. people, or the peoples who support us."

BRIEFS

ANGOLA OPENS EMBASSY -- Angola has opened its diplomatic representation in Managua. The new embassy is in the Planetarium neighborhood and is the first southern African representation in Nicaragua. The official who will head the embassy raised the Angolan flag in the front yard shorty after 1000. It was a simple but solemn ceremony attended by Nicaraguan Deputy Foreign Minister Xavier Chamorro Mora and Manuel Pacavira, the Angolan ambassador to Cuba, who will also be the ambassador to Nicaragua. [Excerpt] [Managua EL NUEVO DIARIO in Spanish 9 Aug 86 p 12 PA]

## SEVERAL SECTORS VIEW U.S. AID TO CONTRAS

### Our America Commentary

PA161312 Havana International Service in Spanish 2300 GMT 14 Aug 86

["Our America" commentary]

[Text] On Wednesday mercenaries and bribery received new backing when the U.S. Senate approved the trite $100 million for the Nicaraguan counterrevolutionaries. By 53 votes to 47, the Senate passed the bill presented by President Ronald Reagan. In June, the bill was approved by the House of Representatives. Only the President's signature is now required. As a result, by the year's end the mercenaries will surely begin receiving the $100 million destined to finance an army that is fed and clothed and murders with U.S. taxpayers' money. During debate in the Senate, which began on Monday, President Reagan again badgered the legislators with his annoying propaganda for the aid for his freedom fighters, while the delivery of $300 million for El Salvador, Honduras, Costa Rica, and Nicaragua [as heard] was also discussed. This aid was also approved.

This shows that, while it backs mercenaries militarily and financially, the White House and its followers in the U.S. Congress buy the posture of the countries neighboring Nicaragua to neutralize them and turn them into meek instruments of the Yankee policy toward Central America. Reagan and his allies have turned a deaf ear to requests to cease support for the counterrevolutionaries. These requests have been made by groups, political leaders, and church authorities, not only from Latin America and Europe, but from the United States.

With arrogance, Washington ignored the international laws that forbid any one nation from conducting actions to topple other governments. This is done openly against Nicaragua. President Reagan himself demonstrated the current administration's deeply reactionary inspiration. In a press conference a few hours prior to the Senate vote, he expressed tolerance toward the apartheid regime and repudiated the Nicaraguan revolutionary process. Asked by a reporter about his refusal to apply economic sanctions against the South African regime while he maintains an economic blockade against Nicaragua, Reagan cynically argued that what he described as the expansion of communism in Central America must be stopped and that a U.S.' hostile stance regarding South Africa would harm the black population.

Such cynicism would perhaps find a parallel in the Hitler regime. Are the U.S. people aware of the adventure in which their president involves them? Will this be the harbinger of a new Vietnam, so much repudiated by the U.S. people?

### Commentary Cites Other Views

PA161707 Havana International Service in Spanish 2300 GMT 14 Aug 86

[Commentary by Pedro Otero and Miguel Cabrera]

[Text] [Otero] Yesterday the U.S. Senate approved the $100 million requested by President Reagan for the Somozist mercenaries. Evidently this is the first step toward a greater U.S. war escalation in Nicaragua and in Central America, in general. The approval once again shows President Reagan's adventurous policy, as well as that of a large number of U.S. Congressmen, who are playing the White House game in this strained situation in the Central America region.

As a matter of fact, Cabrera, I do not know if you read about the reactions provoked by that approval by the U.S. Senate.

[Cabrera] Yes, of course I did. One of the first replies came from Nicaraguan President Daniel Ortega, who said that the U.S. Senate approval is a sabotage of the ICJ [International Court of Justice] and a confirmation that through its terrorist policy, the United States is willing to violate all international rules. As we can recall, recently, the ICJ ruled in favor of Nicaragua in its demands against the United States.

[Otero] To this we can add a series of statements made by Latin American political, labor, and social leaders, who from the first vote in the U.S. House of Representatives, which approved a version of the aid for the Nicaraguan counterrevolutionaries in June, have been making statements against that U.S. Government policy, particularly against the aid that Reagan wanted and wants to give to the Somozist mercenaries.

I remember that members of the Anti-Imperialist Tribunal of Our America, several governments represented at the OAS, and the Contadora and Support Groups made statements opposing the U.S. war escalation in Central America. I think that those statements are important, because if we remember the Malvinas case, all of Latin America became a single force supporting Argentina in its struggle against Great Britain. I think that the Nicaraguan case could turn Latin America into a single union against the U.S. Government and create an anti-U.S. feeling, which is already very widespread in the entire area.

[Cabrera] Reactions to the contra aid approval are also seen in Europe. The socialist countries' position in regard to the U.S. policy against Nicaragua is well known. In Great Britain, [name indistinct], the spokesman for the foreign affairs area of the British Labor Party, condemned the U.S. Senate approval of the $100 million and urged British Prime Minister Margaret Thatcher to deny her support for that U.S. policy. According to the British legislator, the current U.S. position is very similar to the one that appeared prior to the U.S. invasion of Vietnam. A direct intervention of the U.S. Army in Nicaragua should not be ruled out.

A situation similar to the invasion of Vietnam is the most feared event by the U.S. people and the main cause of protests in the United States.

[Otero] Well, finally, I wanted to end this brief analysis by saying that the Senate vote on Wednesday did not surprise anyone. We all knew that the Senate was going to approve the aid for the Somozist mercenaries. As I said before, the U.S. House of Representatives approved the aid in June, despite the Democrats' majority. Thus, the Senate approval was expected since it has a Republican majority. Traditionally, Republicans have supported President Reagan's policies, mainly his warmongering policy throughout the world, and especially in Central America.

I want to add what is missing now is an agreement between the Senate and the House of Representatives, to issue a definitive version on the method the financial aid will be delivered to the Somozist mercenaries. This will be in September, when Congress resumes operations.

As we all know, that will be only a simple procedure; after all, the U.S. Senate voted for the war. The U.S. taxpayers will be the ones to help the Somozist mercenaries kill Nicaraguan civilians, to kill men, women, and children as they have been doing. In the long run, it will be the U.S. taxpayers who will call the U.S. Government to account for its present actions.

Abrams, CIA To Direct Aid

PA172049 Havana International Service in Spanish 2300 GMT 16 Aug 86

[Text] Elliott Abrams, U.S. Assistant Secretary of State for Inter-American Affairs, will oversee the program of military aid to the Nicaraguan counterrevolutionaries which the U.S. Congress recently approved, White House officials have disclosed. It is believed that Abrams' new duties in the anti-Nicaragua program will be officially announced in September when U.S. President Ronald Reagan signs the law on the aid to the mercenary bands. However, it has been learned that he will control the operation through a Central America assault force directed by his assistant Robert Kagan, current head of the Office of Public Diplomacy. The operational part of the program, which includes war tactics, military advisers, and training, will be handled by the U.S. Central Intelligence Agency with the assistance of the Yankee Pentagon.

MINISTER RAMON FERNANDEZ MEETS GDR'S GERLACH

LD152341 East Berlin Voice of GDR Domestic Service in German 1400 GMT 15 Aug 86

[Text] Professor Manfred Gerlach, GDR State Council deputy chairman, had a talk with Jose Ramon Fernandez, vice president of the Council of Ministers, in Cuba today. He had further meetings with Foreign Minister Jose Viera [as heard] and leading representatives of the Cuban National Assembly.

JAIME CROMBET RETURNS FROM GDR VISIT

PA171213 Havana International Service in Spanish 2300 GMT 16 Aug 86

[Text] Jaime Crombet, a member of the Secretariat of the Central Committee of the Communist Party of Cuba, has returned to Havana following a working visit to the German Democratic Republic.

VIETNAMESE FOREIGN TRADE DELEGATION ARRIVES

PA170336 Havana International Service in Spanish 2300 GMT 16 Aug 86

[Text] Vietnamese Vice Foreign Trade Minister Nguyen Manh Cam has arrived in Havana as the head of a delegation visiting to sign the protocol for the exchange of merchandise for this year. Cuban Vice Foreign Trade Minister Jose de la Fuente welcomed the Vietnamese delegation.

BALAGUER, VICE PRESIDENT SWORN INTO OFFICE

PA161538 Paris AFP in Spanish 1504 GMT 16 Aug 86

[Text] Santo Domingo, 16 Aug (AFP) -- This morning at 1033 the new president of the Dominican Republic, Joaquin Balaguer, 78, took office.

Immediately after, Vice President Carlos Morales Troncoso took office as well. Both leaders -- elected 16 May -- were sworn in by Florentino Carbajal Suero, president of National Assembly.

Balaguer Vows To Restore Trust

PA170437 Hamburg DPA in Spanish 1817 GMT 16 Aug 86

[Text] Santo Domingo, 16 Aug (DPA) -- Today Dr Joaquin Balaguer Ricardo assumed the Presidency of the Dominican Republic for the fifth time in his long political life and stated that his government's first goal will be to restore the country's trust in its public officials, to search for political harmony, and to construct a shared democracy.

Balaguer was sworn in by Florentino Carvajal, president of the Senate and National Assembly, shortly after 1030 before guests from 33 countries, including the presidents of El Salvador, Nicaragua, and Panama.

Balaguer began his inaugural speech as follows: "I return, not to produce miracles, but to courageously face the crisis which afflicts us. I return to restore the nation's deteriorated faith, to help consolidate it by alternating different parties in the government, a national democratic process."

"The first goal will be to restore the country's trust -- trust in the honesty of its public officials. All the citizens must live, convinced that the honesty of the nation's highest authorities is the best guarantee for them and their interests." He added: "Trust creates security. There is no stability without security, there are no investments without stability, and there is no development without investments."

The new president stated: "The Dominicans have been waiting a long time for a conciliation phase which will prepare the country for an era of true democratic coexistence. I hope that this conciliation is now possible in the Dominican Republic. If it is possible, we welcome it with open arms. I am prepared to establish no differences between the members of our party and those of other organizations. My main ambition is to treat all my fellow citizens on an equal basis and to serve them all with the same spirit." He added: "Within this conciliation, we also need a political truce of at least 2 years. Without that truce, we will expose the country to grave problems, such as exchanging our democratic institutions for others which are similar or worse than the ones which -- until yesterday -- served as the expression of all our vices and our traditional bad habits."

Balaguer described corruption as "the worst defect of our democracy" and asserted: "Corruption will not go unpunished in the administration which we begin today." The new Dominican president also said: "I shall not persecute anyone, because I believe that the country's problems cannot be solved except in an atmosphere of political accord."

Expanding on his government's goals, Balaguer revealed: "Within the next few years we intend to create the necessary conditions for establishing a shared democracy in the country." He explained: "My modest wish is for a democracy in which all the country's forces may participate, and in which all the sectors -- including the unions -- may participate in all the organizations and fully intervene in the national problems." Similarly, Balaguer rejected accusations that the repression against popular sectors in his country will worsen under his administration, and stated that this propaganda "is clearly the work of another party."

"I am pretty sure, sincerely sure, that I do not lie if I end this speech with the words which have been used by most of my predecessors to conclude their speeches to the National Assembly in similar circumstances. Therefore, I quote the phrase: I know that freedom will not perish in my hands." He added: "However, I would like to be more categorical and state, with my feet firmly planted on the ground, that in my hands, freedom will not be maintained by sacrificing peace, and peace will not be maintained by sacrificing freedom." The new president also stressed that he will rule the country with a new sense of responsibility, and he will offer important posts to the youths in the nation. Last, he asserted that his government is not pledged to any specific group. "I shall rule without pledges to anyone. We are not pledged to anyone, only to God and the homeland," he concluded.

Once the swearing-in ceremony was concluded, Balaguer and his special guests went to the national monument, where he deposited a wreath. He later participated in a Te Deum which was celebrated by Monsignor Nicolas Lopez, metropolitan archbishop of Santo Domingo, in the cathedral. Balaguer then went to the National Palace.

## President Appoints Cabinet

PA162009 Hamburg DPA in Spanish 1941 GMT 16 Aug 86

[Text] Santo Domingo, 16 Aug (DPA) -- This afternoon new Dominican President Joaquin Balaguer issued his first executive decree, appointing his government cabinet. The appointments are as follows:

Secretary of state of the Armed Forces: Vice Admiral Victor Manuel Barjan Mufdi
Secretary of state of police and interior: Dr Juan Cotes Morales
Secretary of state of the Presidency: Rafael Bello Andino
Secretary of state of foreign affairs: Donald Reid Cabral
Secretary of state of finance: Roberto Saladin
Secretary of state of education: Pedro Pichardo
Secretary of state of agriculture: Norberto Quezada
Secretary of state of public works: Helvio Rodriguez
Secretary of state of labor: Aristides Tavares Guzman
Secretary of state of health: Dr Ney Arias Lora
Secretary of state of industry and commerce: Roberto Martinez Villanueva
Secretary of state of physical education and recreation: Andres Vanderhorst
Secretary of state of tourism: Fernando Rainieri Marrancini
Secretary of state without portfolio: Manuel Guaroa Liranzo
Administrative secretary of the Presidency: Loris Consuelo Torres
Attorney general: Julio Cesar Castanos Espaillat
Central Bank governor: Luis Julian Perez
Secretary of state of sports: Jacobo Majluta

## ST VINCENT AND THE GRENADINES

### PRIME MINISTER MITCHELL RESHUFFLES CABINET

FL152144 Bridgetown CANA in English 2113 GMT 15 Aug 86

[Text] Kingston, St Vincent, Aug 15 CANA -- Three St Vincent and the Grenadines Government ministers have exchanged portfolios and a new junior minister was appointed in the second Cabinet reshuffle announced today by Prime Minister James Mitchell.

Mitchell did not name a new attorney-general and minister of legal affairs to replace Emery Robertson who resigned last month.

In the reshuffle, Tourism, Information and Culture Minister John Horne takes over the education portfolio from Allan Cruickshank, who is given the Communications and Works Ministry held by Burton Williams. Williams has assumed responsibility for Horne's former portfolios.

Parliamentary Secretary in the Ministry of Communications and Works Louis Jones was named minister of state within that ministry.

Mitchell said the reshuffle was a routine one in keeping with his administrations policy of broadening the experience of ministers.

### MITCHELL COMMENTS ON CARICOM COORDINATION

FL151518 Bridgetown CANA in English 1449 GMT 15 Aug 86

[Text] Bridgetown, Barbados, Aug 15, CANA -- Prime Minister James Mitchell of St Vincent and the Grenadines last night called for greater coordination of development policies in the Caribbean Community (Caricom) and urged a lowering of barriers to the free movement of peoples and finance among the 13 English-speaking countries involved.

Mitchell obliquely suggested that the real solution to the regional trade problems may lie in political integration.

He was one of three panellists participating in the region-wide Caribbean Crossfire radio programme produced monthly in the studios of the Caribbean News Agency (CANA) and which last night looked at the difficulties facing intra-regional trade. The others were Wilfred Espinet, head of the export division of the Trinidad and Tobago Manufactures Association (TTMA), and Henry Vierira, Vice President (manufacturing) of the Caribbean Association of Industry and Commerce (CAIC) based here.

...A lot of the problems we are facing in trade will still have to come back to certain forms of political integration...We have got to keep that kind of thinking very much into focus...Mitchell declared.

...We have to coordinate national development policies, as was spelt out in (the Caricom) treaty a long time ago. I don't believe this has started at all. Everybody is doing his own thing. There is need for some coordination between the governments... and working out a joint strategy for development, he added.

Mitchell called for the abolition of the requirements for Caribbean nationals to have alien land holding licences if they wanted to invest in each others territories.

I think we have got to be always opening up our minds and opening up our economies to our neighbours, he added.

Examining some of the issues in intra-regional trade, Mitchell saw the protectionist trends in the region as a reaction to the economic problems of the area.

Protectionism is really a reaction to the problems that individual countries have been going through, Mitchell said.

He singled out Guyana, where foreign exchange earnings have been low, Jamaica, where bauxite prices have declined, and Trinidad and Tobago, which has had to deal with a sharp fall in the price of oil, mainstay of the economy.

But Mitchell stressed the importance to the seven-island Organisation of East Caribbean States (OECS) of continued exports to the larger markets in the broader (Caricom).

It is, therefore, quite important to us in the OECS territories that we have access to the more-developed countries (MDC) markets, Mitchell said.

He also spoke of the reduced emphasis on multilateral approaches to trade in the community, in apparent reference for bilateral agreements.

...This is the new trend of what is taking place. Instead of Caricom functioning and operating within the framework of a treaty, we are now having quite a lot of bilateral discussions, he added.

But, he said, he believed this was only a temporary stage in the community.

Noting that he himself had already held some bilateral talks with Barbados Prime Minister Errol Barrow, and Trinidian leader George Chambers, Mitchell announced his country's intentions to hold further discussions with Port-of-Spain.

He said these will cover the questions of import licensing.

Mitchell welcomed Trinidad and Tobago's decision to remove some of the barriers to Caricom products as of September, but expressed some concern about pervious transactions.

We are quite concerned about the outstanding payments which are due to a number of traders from St Vincent who have not been able to get their foreign exchange for goods already delivered into Trinidad, he said.

## SURINAME

### BOUTERSE, HERRENBERG TO ATTEND HARARE CONFERENCE

FL152201 Paramaribo International Service in English 1730 GMT 15 Aug 86

[Text] Government leader Desi Bouterse and Surinamese Foreign Minister Hank Herrenberg will leave Suriname in September for Harare, Zimbabwe, where they will participate in the eighth heads of state conference of the Nonaligned Movement. This year the movement celebrates its 25th anniversary. On his way to Harare the Surinamese leader will visit Libya on the invitation of that country's leader Colonel Al-Qadhdhafi. This was announced yesterday at a press conference by Foreign Minister Herrenberg, who also informed the press that he himself will pay an official visit to Indonesia, where he will be delivering an address in Bandung.

### MERCENARY INCIDENT ON UN AGENDA FOR SEPTEMBER

FL152212 Paramaribo International Service in English 1730 GMT 15 Aug 86

[Text] Suriname is to discuss the question of mercenaries at a general meeting of the United Nations in September this year. Recently, 14 mercenaries were arrested in the United States who had planned to overthrow the Surinamese Government [as heard]. Suriname will also discuss the crisis in Third World countries as a result of the unequal trade balance with industrial countries. This was stated yesterday by Foreign Minister Herrenberg at a press conference. The general meeting of the United Nations begins on September 16.

## URUGUAY

### PRESIDENT SANGUINETTI RETURNS FROM 10-DAY TOUR

PY162110 Madrid EFE in Spanish 1736 GMT 16 Aug 86

[Excerpt] Montevideo, 16 Aug (EFE) -- Uruguayan President Julio Maria Sanguinetti, who today returned from a 10-day trip to Colombia and Brazil, has labeled the economic agreements signed with Brazilian President Jose Sarney "significant."

Sanguinetti stated that for Uruguay, this type of agreement is "absolutely necessary," because "our future is closely linked to the possibility of the integration of our two neighbors (Argentina and Brazil).

Presidents Sanguinetti and Sarney signed bilateral agreements which will triple the current trade between the two countries. In statements to the press Sanguinetti labeled the economic agreements with Brazil "significant" and said that they are a step in the search for a Latin American Common Market. Sanguinetti and his delegation were welcomed at Carrasco airport by Vice President Enrique Tarigo, members of the Cabinet, and other officials.

President Sanguinetti resumed the Presidency at the airport, and official spokesmen announced that the president will report on his trip in the next few days. [passage omitted]